



Daily Report

China

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Daily Report

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General

UN Human Rights Group Takes No Action on China

OW0503041292 Beijing XINHUA in English
0353 GMT 5 Mar 92

[Text] Geneva, March 4 (XINHUA)—The United Nations Human Rights Commission today decided not to vote on a draft resolution on "the Situation in China and Tibet".

Instead, the commission adopted by 27-15 votes a proposal from Pakistan to take no action on the draft. There were 11 abstentions.

The draft met strong objection from many Asian, African and Latin American countries immediately after it was tabled.

Representatives from these countries held that the draft clearly had "political purposes" and would "impair China's sovereignty and territorial integrity."

They also said it was "against the objective and principle of the U.N. Charter."

These countries maintained that no action should be taken on the draft. Their position received support from the majority of the participating countries.

Chinese representative Fan Guoxiang said the fact the majority countries objected to taking action on China clearly showed that most of the commission member states upheld justice.

Foreign Ministry Holds Weekly News Briefing

Says Tibet Issue of Sovereignty

OW0503092692 Beijing XINHUA in English
0916 GMT 5 Mar 92

[Text] Beijing, March 5 (XINHUA)—The so-called Tibetan issue has nothing to do with human rights, but is one that bears on China's sovereignty, a Chinese Foreign Ministry spokesman said here today.

At today's weekly press conference spokesman Wu Jianmin said that on March 4, the 48th session of the U.N. Commission on Human Rights adopted a motion with an overwhelming majority, deciding not to put to a vote the draft resolution on "the situation in China/Tibet" which was tabled by some western countries, thus foiling the attempt by some people to interfere in China's internal affairs under the pretext of the so-called human rights issue.

As is known to all, the Chinese people had no human rights to speak of in the old days when the country was long subjected to the oppression of imperialism, feudalism and bureaucratic capitalism, Wu said, adding that it is only after the founding of the People's Republic that the human rights situation in China has made the fundamental turn for the better.

Now the Chinese people, including all the minority nationalities, enjoy a wide range of rights including not only civil and political rights, but also economic, social and cultural rights, Wu said.

The remarkable achievements China has made in protecting and promoting human rights are fully acknowledged and fairly appraised by anyone who is not biased, he said.

The so-called human rights issue in Tibet is the sole making of a handful of Tibetans who in the past rode roughshod over the vast numbers of Tibetan serfs and are now actively engaging in national separation in collusion with certain international hostile forces, he said.

"Their aim is to split Tibet from China. Therefore, the so-called Tibetan issue has nothing to do with human rights, but is one that bears on China's sovereignty," he said.

He said that a small number of countries, in disregard of the fact that the Chinese people of all nationalities are masters of their own house enjoying extensive human rights and fundamental freedoms, proposed at the 48th session of the U.N. Commission on Human Rights the so-called draft resolution on "the situation in China/Tibet", which was an unveiled interference in China's internal affairs.

Quoting an old Chinese saying that "a just cause enjoys wide support while an unjust cause finds little support", Wu said it is only natural that this draft resolution, running counter not only to the purposes and principles of the U.N. Charter, but also to the universally-recognized basic norms of international law, has been rejected by the overwhelming majority of members of the Commission on Human Rights.

Uzbekistan President To Visit 12-14 Mar

OW0503075392 Beijing XINHUA in English
0734 GMT 5 Mar 92

[Text] Beijing, March 5 (XINHUA)—President Islam Karimov of the Republic of Uzbekistan will pay a state visit to China from March 12 to 14 at the invitation of Chinese President Yang Shangkun, a Chinese Foreign Ministry spokesman announced at a press conference here this afternoon.

Nepalese Premier To Visit 16-21 Mar

CM0503120292 Beijing XINHUA Domestic Service
in Chinese 0807 GMT 5 Mar 92

[Text] Beijing, March 5 (XINHUA)—Girija Prasad Koirala, prime minister of Nepal, will pay an official friendly visit to China from 16 to 21 March, at the invitation of Chinese Premier Li Peng.

A Chinese Foreign Ministry spokesman made the announcement at a press conference here today.

International Meeting To Study Tumen Development*OW0403142892 Beijing XINHUA in English
1200 GMT 4 Mar 92*

[Text] Beijing, March 4 (XINHUA)—Experts from the United Nations, China, Russia, the Democratic People's Republic of Korea (DPRK) and other countries will gather here next month to further study the multi-national development of Tumen River delta, an official of the Chinese Ministry of Foreign Relations and Trade told XINHUA here today.

Long Yongtu, director of the International Relations Department of the ministry, said that the experts will discuss strategies for developing the Tumen River area, and the ways to attract international investment during the meeting sponsored by the United Nations Development Program (UNDP).

Experts from the UN and countries concerned have by now brought up several options for the opening strategy of the Tumen River delta on the border straddling sections of China, Russia and DPRK. And main options include:

- China, Russia and DPRK each assign 300-square km to form a multi-national economic development zone leased out to international financial corporations to develop and manage independently;
- To set up an international authority to manage the investment and development of the area's transportation network;
- China, Russia and DPRK each set up an independent economic development zone and, based on it, will form a multi-national coordinating organization.

The UNDP will put aside three million U.S. dollars for the feasibility studies.

Late last month, the UNDP sponsored a meeting in Seoul of the Program Management Committee (PMC) for the development of Tumen River delta.

Representatives from China, Russia, Mongolia, DPRK, and other countries all stressed the great economic potential in the delta and the important role such development will play in promoting regional cooperation in the Northeast Asia.

Long, who was the head of the Chinese delegation to the PMC meeting in Seoul, said that China is willing to listen to various opinions on the project.

He said he hoped the next month's meeting in Beijing would focus on choosing the best strategy for the project, making the results of the meeting practicable.

Also, he said, the study and shaping-up of the development guidelines should be linked with ways to seek international investment; therefore, opinions from the international developing banks and financial corporations should be considered carefully.

WEC Official 'Optimistic' on Energy Development*OW0403091792 Beijing XINHUA in English
0849 GMT 4 Mar 92*

[Text] Beijing, March 4 (XINHUA)—Visiting Secretary-General I.D. Lindsay of the World Energy Council (WEC), while optimistic about the prospect of China's energy development, urged the country to seek "a higher profile" in the international energy field.

For that, he hoped China will send a high-level delegation to the 15th World Energy Congress, scheduled to be held in Spain in September.

Lindsay made the remarks in an interview with XINHUA during his two-day visit, which ended today. He was invited by Minister of Energy Resources Huang Yicheng, who is chairman of the WEC National Committee of China.

"Energy and Life" will be the theme of the September congress, which is expected to be attended by 5,000 delegates from more than 100 countries, including dozens of ministers and some prime ministers, according to Lindsay.

The conference will offer "many possibilities" for international partnership, as the delegates can make contacts or even sign agreements for cooperation, and raise such issues as financing, technology transfer and energy law and regulations, Lindsay said.

Reviewing China's "useful role" in cooperating with WEC in the past few years, Lindsay said, with its economic development, "now is the time" for China to "achieve a higher profile" in the field.

China, as a leader in generating such renewable energy as marsh gas, has "a great deal to teach to the world," he said. Meanwhile, as many people outside know little of the realities and development priorities in this country, China should make full use of international forums to propagate its policies.

Also, international exchanges will prompt China's energy development, he said. For example, by learning from past lessons, China can avoid the mistakes made by the industrialized nations and "leapfrog straight to where the technology is today."

The new technologies will help environmental protection as well as energy development in the country, Lindsay said. He believed future energy development in China will benefit from many environmental protection measures of the government.

The WEC leader disclosed that the organization has chosen China as the venue for a forum on energy technology in the Asia-Pacific region, which is planned for 1994 or 1995. "Technology can probably do more good to the energy development in China than anywhere else in the world," he said.

In fact, international cooperation is bringing increasing benefits to China," Lindsay said. He cited the Daya Bay Nuclear Power Plant as "a very successful" cooperative project for producing energy for economic development.

On the prospect of China's energy development, Lindsay picked up a "specific aspect" to express his view. While the huge population keeps growing at a quick pace, the nation's generation of electricity doubles every decade, he observed.

A deduction shows that China's per capita growth rate of electrification will be one of the fastest in the world, "and along with it will be economic development," he said.

Asian countries or regions like Japan and Hong Kong, with no indigenous energy, have produced miracle economies, the WEC official from Britain said. "For now the fascination and interest is to see China, with its huge dimensions, beginning to take the same path."

Lindsay voiced the conviction that people will see China as "an established economic power" not far in the future.

'Analysis' Views U.S., EC Differences on CIS

OW0403192192 Beijing XINHUA Domestic Service
in Chinese 0811 GMT 4 Mar 92

["News Analysis" by reporter Wang Shujuan (3769 3219 1227): "Strange Bedfellows, Dreaming Their Own Dreams"]

[Text] Beijing, 4 March (XINHUA)—The 12-member EC foreign ministerial meeting that closed on 3 March decided that, in addition to strengthening economic and trade relations with the 11 members of the Commonwealth of Independent States, the EC will develop political cooperation with them. Before the meeting arrived at this decision, U.S. Secretary of State Baker had concluded his visits to six CIS member states. In the two months since the disintegration of the former Soviet Union, Baker has visited all CIS member states, establishing personal relationships with leaders in the 11 states. These two developments signal that the United States and West European countries have not only quickly faced reality—they dealt with one republic in the past and are now dealing with 11—but also, prompted by their own interests, have raced to expand their influence over members of the CIS. As a result, differences between the United States and West European countries have become more prominent with every passing day.

First, both the United States and European countries wish to make the first move in establishing close relations with CIS member states. As early as six months ago, U.S. President Bush invited Russian President Yeltsin to visit the United States. On 3 March, Bush again invited Yeltsin to visit the United States in mid-June to discuss bilateral relations, aid for Russia, arms reduction, and other issues. Italy was the first Western country Yeltsin visited after the establishment of the CIS. Britain and France also separately played host to

Yeltsin in January and February. Germany invited Ukrainian President Kravchuk to visit the country in early February. On 27 February, President Bush invited Kravchuk to visit the United States. On the same day, the two leaders discussed by phone a wide range of issues of common interest. It has been reported that West European countries are also planning to follow suit. In the race between the United States and West European countries to invite leaders from Russia, Ukraine, and other CIS member states to visit their countries, it seems that whoever wins will score points.

Second, differences exist between the United States and West European countries on the issue of how to strengthen political cooperation with CIS member states. The United States holds that the North Atlantic Cooperation Committee [NACC], born after the Warsaw Pact was disbanded, is an ideal instrument for dealing with the 11 CIS member states because, by creating a committee for this purpose, the United States will have a forum to voice its views and directly exert influence over the 11 CIS member states on various issues for a long time. On 13 February, the NATO foreign ministers meeting, led by the United States, agreed to invite the 11 states to become members of the NACC. During NATO Secretary General Woerner's visits to Ukraine and Russia 22-25 February, he explained the decision to Ukrainian and Russian leaders and extended special invitations to the two countries' foreign ministers to attend an NACC meeting in Brussels on 10 March. In addition, Woerner also said that Georgia would be welcome if it is willing to become an NACC member. West European allies voted for the establishment of the NACC; however, West European countries, with France in the lead, feel that the issue should be handled in an European way. France has held that the EC is the most important factor in European stability and has called for strengthening bilateral relations between the EC and the CIS. Quite a few EC officials have maintained that CIS member states should first be given economic aid in order to maintain stability in the region. This directly affects Western Europe's security and interests. While Woerner was visiting Ukraine and Russia in late February, Andriessen, EC vice president in charge of foreign relations, also visited Belarus, Ukraine, Uzbekistan, and Kazakhstan to explore ways of strengthening bilateral ties. Speaking at a meeting of the foreign ministers of 12 EC member states in Brussels on 2 March, Andriessen proposed that EC should immediately strengthen its political cooperation with the CIS and should not wait until the situation stabilizes. His view received broad support from the foreign ministers. It has been learned that Russia has already established cooperative relations with Italy, Britain, and Germany with regard to defense industry conversion for civilian production.

Third, they compete for leadership over assistance to the CIS. Although the United States did not take any action to assist the CIS until mid-December last year when it decided to deliver food not used during the Gulf war to Moscow to "meet urgent needs," it tried to direct other

countries' activities. In late January this year, when the United States called a meeting in Washington to coordinate assistance to the CIS, the United States, in addition to pledging cash assistance of over \$600 million, also decided to use its Air Force to deliver aid to CIS states. The West European countries, however, viewed this gesture with disdain. They think that, because they provided 75 percent of the total assistance to the CIS—compared to a mere 6 percent by the United States—they had the biggest right to speak and that the United States could only play a supporting role. Thus, instead of making any commitments at the U.S.-sponsored coordination meeting, West Europe declared that the current EC chairman, Portugal, would host a follow-up meeting in Lisbon in May. The 12 EC countries have planned that, in addition to food and short-term loans, they will also provide CIS states with intermediate technical assistance. Also, to demonstrate closer relations, representatives of the 11 CIS states will be invited to attend the meeting to discuss important issues.

Fourth, both the United States and West Europe have eased pressure for debt repayment. Bush indicated on 27 February that Ukraine may not undertake the repayment of certain debts of the former USSR like other countries. This act certainly will have repercussions within the CIS, and the strategy that is involved here remains to be seen. Not long ago, the CIS Executive Committee urged finance ministers of all member states not to insist on repaying interest on their loans on time in order to alleviate their "serious economic problems" and because their stability "is obviously significant and has a major impact on regional security."

The CIS is currently beset with problems and all kinds of difficulties. Out of consideration for different political and economic interests, the United States and West European countries are constantly adjusting their policies. Although their strategic objectives are identical, their differences, exemplified in their approaches to CIS issues, more or less indicate that there is a new wrinkle in their fight for leadership over European affairs.

XINHUA Analyzes Plans, Future of APEC

*OW0403103192 Beijing XINHUA in English
0939 GMT 4 Mar 92*

[By Qi Deliang]

[Text] Bangkok, March 4 (XINHUA)—APEC, the grouping of Asia-Pacific Economic Cooperation countries, is moving closer towards setting up a formal secretariat with regular funding from its members.

A two-day meeting of senior officials from 14 of APEC's 15 members ended here Tuesday with participants reporting a clearer consensus that the group needs stronger institutional support.

The upshot should be more concrete results from the group's work program and regular consultations and the

likelihood that the secretariat could be somewhere in ASEAN, possibly Bangkok, according to Thai officials who attended the meeting.

Thailand, which will host this year's APEC ministerial meeting in September, has been assigned by the meeting to draft recommendations for ministers to consider and the options for APEC's future have been narrowed down to two or three alternatives, all involving a permanent office, staffing and a formal budget, the officials said.

Of the APEC's members comprising the six ASEAN members, Australia, New Zealand, Japan, South Korea, the United States, China, Hong Kong and China's Taiwan, only Hong Kong was not represented at the two-day meeting.

Although some people said the two-year-old group has failed to arouse public interest in its members, officials from Thailand and other members said many of the group's work programs have developed to a stage where some areas of significant regional cooperation could emerge.

Among the more promising, they said, are plans to set up electronic exchange of trade information, a manual that will serve as a guide to telecommunications training in the region, tourism cooperation and closer ties between universities of APEC members.

It is also important that the members are willing to discuss their differences on trade, the officials said.

Bangkok stands a good chance of being selected as the site of the APEC's secretariat, while other places such as Jakarta, Hong Kong and Singapore could also be considered, Thai officials said.

Questions such as where to set up the secretariat, how large its staff should be, whether its head should be permanent appointee or a group representing member states and how to work out financial contributions would be settled by the September ministerial meeting, Thai officials said.

So far the APEC has consisted of ministerial meetings rotating through the capitals of the region and official committees preparing work plans. Funding has been based on voluntary contributions for various tasks and the host country for each meeting has acted as an unofficial secretariat.

APEC was set up under the proposal of the then Prime Minister Bob Hawke of Australia in December 1988.

XINHUA Examines U.S., Thai Patent Dispute

*OW0403105592 Beijing XINHUA in English
1004 GMT 4 Mar 92*

["News Analysis: Thai, U.S. Trade Talks Remain Difficult (by Shao Linming)"]—XINHUA headline]

[Text] Bangkok, March 4 (XINHUA)—Thai and U.S. officials started here today to discuss problems in their bilateral trade after the Thai national legislative assembly passed the new Patent Act last week.

Observers here noted that the discussion is expected to concentrate on the two remaining points of contention in the pharmaceutical patent dispute, which will be very difficult for both sides to solve smoothly.

Although largely satisfied with the Patent Act, the U.S. is still concerned about the "compulsory licensing" provisions designed to prevent abuse of the monopoly power drug companies will enjoy as a result of pharmaceutical patents.

The Americans are also dissatisfied with the absence of protection for drugs already invented but not currently licensed for use in Thailand.

Thai-U.S. trade relations became strained following the U.S. request for intellectual property protection on its products.

Since May 26, 1989, Thailand has been put on the "priority watch list" by the U.S. Trade Representative under Section 301 of the U.S. Trade Act for alleged unfair trade practices against U.S. pharmaceutical companies.

However, it is noted that the two sides have to be careful in considering their demands and stand firm in its decision to protect national interest [sentence as received].

As for the Thai government, it has taken law measures to protect U.S. pharmaceutical products. One of the contentious provisions of the new Patent Act, which was passed by the Thai national assembly last week, is Article 27. It says the government can force patent holders to issue licenses to competitors if monopoly power is abused.

An important criterion for judging whether monopoly power is being abused will be the price of the patented drug as sold in Thailand. This feature the U.S. pharmaceutical industry finds unacceptable.

According to the new Thai law, a product that has already been patented elsewhere but has not yet been approved for marketing in Thailand on the date the law comes into force, which will become effective 180 days after publication in Royal Gazette—and is therefore in the "pipeline"—will not be granted patent protection in Thailand.

Local sources said the provision of "transitional" protection for "pipeline" drugs has always been an important item on the U.S. negotiation list in talks with Thailand. It has been one of the most contentious issues between the two countries.

The United States is hoping that it can negotiate transitional patent protection with Thailand between now and

the March 15 deadline for decision to be announced on whether to retaliate against Thai exports under the 301 Trade Act.

But Thai senior officials said Tuesday that Thailand will refuse to yield if the U.S. seeks further concessions on pharmaceuticals.

United States & Canada

'Special Dispatch' Analyzes Bush MFN Veto

HK0503104492 Hong Kong WEN WEI PO
in Chinese 5 Mar 92 p 2

["Special dispatch from America" by New York-based special correspondent Kuan Wen-liang (7070 2429 0081): "Why Did Bush Give Preferential Treatment to China So Quickly?"]

[Text] New York, 4 Mar—Strong Trend of Presidential Posture

On 27 February, the U.S. Senate passed a bill on conditional renewal of China's most favored nation [MFN] status but President Bush vetoed the bill on 2 March, only five days later. This represents a subtle change from the White House's practice over the past two years in handling this problem. Bush's immediate veto reflects recent U.S.-Chinese relations and the political changes in the United States.

This is a U.S. presidential election year and Bush faces serious challenges due to the economic recession. Republican right-winger Buchanan keeps attacking and condemning Bush, winning more support than earlier expected. Although the situation in the Democratic Party is unclear, a nationwide public opinion poll indicates that almost half the U.S. voters favor a change of President. Besieged from left and right, Bush decisively vetoed the Senate bill on conditional renewal of China's MFN status, thus blocking a loophole which was apt to be manipulated by others in their attacks.

Diplomacy has never been the main factor determining who enters the White House, and the U.S.-Chinese controversy is not something that concerns American voters. The dispute over China's MFN status of the past two years has been stirred up mainly by Democratic senators, whose core is composed of politicians who oppose, and have a serious prejudice against, China. The Democrat-controlled Senate and House of Representatives oppose the White House's position on the China problem. Because political controversy in the United States is bigger than all other factors, Democratic senators will not let any opportunity to embarrass Bush slip past.

A recent public opinion poll suggests that Bush can still beat his opponents, but his reputation has dropped by 40 percent and those who agree with his method of handling economic problems only account for 19 percent. Thus, in the minds of voters, he is the President with the worst

economic performance since President Carter. People who pay frequent attention to U.S. presidential elections can see that Bush must give the impression that he is a highly capable president and a decisive and brave leader who appears before millions of voters with a powerful and distinctive image. Logically speaking, there is no important connection between handling the China problem and the presidential elections but, in terms of electoral strategy, a powerful response to the Democratic Party bears a direct and major significance in improving the President's reputation. Some of the Bush campaign aides have long proposed a strategy of cultivating a strong image of the President. Not only has Bush used it on the China problem but he will also make offensives and quick responses to other political issues.

U.S.-Chinese Relations Are Much Improved

Another main factor is that U.S.-Chinese relations have changed compared with three years ago; a breakthrough has appeared from a stalemate. Secretary of State Baker's visit to China in November last year was the turning point. Bush's meeting with Li Peng at the United Nations in January essentially indicated the end of three years of U.S. sanctions against China.

In recent months, the two governments have solved quite a number of specific problems, including settling the controversy over protecting intellectual property rights; the conclusion of a principled agreement between the United States and China on China's admission into GATT; China's willingness to abide by the standards of the "System for Controlling Missiles and Their Technology"; Beijing's future signing of the "Nuclear Nonproliferation Treaty"; and the current bilateral trade talks in Washington, which are expected to make headway. In addition, on 21 February the United States announced the lifting of its economic sanctions against China. It will export computers and satellites and their components to China and will also sell missiles and their related products.

Today, U.S. prohibitions since the Beijing incident remain only on military cooperation, arms deals, relaxing Western hi-tech sales to China, and loans to China from the World Bank and the Asia Development Bank, except for basic human needs. Apart from this, the United States still rejects mutual visits by joint economic committees and joint trade committees of the two countries.

Arms deals and military cooperation are sensitive problems which cannot be decided solely by the relations between the two countries. In the U.S. view, regional conflicts still exist despite the drastic changes in Eastern Europe and Soviet disintegration. This involves U.S. global strategy and its appraisal of the future situation. Therefore, even if U.S.-Chinese relations further improve, this does not mean that China and the United States can engage in military cooperation and arms deals.

United States Cannot Even Look After Its Own Economy

The human rights factor has never been a pillar of U.S. diplomacy and is merely a pretext used by some politicians to interfere in the internal affairs of others and to practice hegemonism. Similarly, "democracy and freedom" has a special duty in U.S. diplomacy and is entirely different from the broad sense of human civilization. "Human rights" and "democracy and freedom" serve as pretexts and tools for U.S. offensives in international politics. On this, not only do China and the United States have different opinions but many developing countries who uphold independence and freedom and oppose foreign intervention, openly defy the United States.

In 1992, Americans are most concerned with how to get out of the serious economic recession. International problems are removed and do not much concern them. An example is that U.S. public opinion and the media did not react strongly to whether or not Bush vetoed the Senate bill, providing only general or brief reports. But when Americans are worried whether they will be dismissed tomorrow, when one-tenth (25 million) of the population are receiving food stamps, and when unemployed people appear on television crying helplessly, human feelings are heavy and no one is aware of the gradual recovery in U.S.-Chinese relations.

XINHUA Reports Bush Wins Georgia Primary

OW0403041492 Beijing XINHUA in English
0352 GMT 4 Mar 92

[Text] Washington, March 3 (XINHUA)—U.S. President George Bush won the presidential primary in Georgia today despite a big showing by conservative commentator Patrick Buchanan, his political opponent in the Republican Party.

Meanwhile, Democratic Candidate Bill Clinton hauled in 60 percent of the vote, gaining a badly needed primary victory and making him the front runner in the Democratic presidential campaign, giving him a chance to challenge a Republican candidate in the general election.

The initial results showed Bush in the lead in the southern state with 62 percent of the votes against Buchanan's 38 percent, according to CNN.

Bush said in a statement: "We are another step closer to our goal of winning every primary and caucus. To those who have been with me in the past but did not vote for me today, I hear your concerns and understand your frustration with Washington," the President said.

Buchanan concentrated his firepower in Georgia when the primary campaign moved south after his big showing in New Hampshire two weeks ago in a bid to show his capacity to hurt Bush.

The commentator got 37 percent of the votes in the first national primary, held in the tiny New England State.

President Bush then intended to crush his conservative opponent as quick as possible fearing that Buchanan's embarrassment would weaken his capacity to challenge a Democratic candidate in the election in the fall.

In addition to Georgia, Bush was the expected winner in other Republican contests in Maryland, Colorado, Minnesota and Washington.

On the Democratic side, Clinton, the Arkansas governor, won 62 percent of the vote against former Massachusetts Senator Paul Tsongas, who drew 21 percent. Tsongas won the primary in New Hampshire and the caucus in Maine.

The Democrats also held primaries and Caucuses in Maryland, Colorado, Utah, Minnesota, Idaho and Washington today.

BOC Shanghai Branch Finds 'Fake' U.S. Notes

HK0503070792 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0724 GMT 29 Feb 92

[Text] Shanghai, 29 Feb (ZHONGGUO TONGXUN SHE)—Recently, in the Bank of China Baoshan Branch in Shanghai, the clerks at the foreign exchange desk detected and confiscated some fake U.S. banknotes when handling saving deposits, and the public security department is now looking at the clues and further investigating the case.

In the afternoon of that day, a man entered the bank and wanted to deposit 10 U.S. 100-dollar banknotes to a type C foreign exchange savings account. Bank personnel carefully looked at the banknotes and found they were all fake. The depositor was questioned and said he bought the money from a profiteer and that he did not know they were fake. According to state regulations on foreign exchange management, privately buying and selling foreign currencies is a violation of law, and the bank confiscated the fake money.

Those profiteers who sell foreign currencies are called "model selling agents"; they wait near the savings departments of Bank of China branches, hotels, and commercial buildings. For Shanghai people, some have to pay guarantee fees for private trips abroad or have to pay commissions to personnel who arrange documents for those trips; some have relatives returning from foreign countries and want to use their allotted quota to buy duty-free goods, which can only be bought with foreign currency; some changed yuan into foreign currencies to have inflation-proof savings. The state's foreign exchange regulation market does not provide exchange services to meet these private needs, therefore, the "model selling agents" have very good business, and often mix in fake banknotes to cheat people out of their money.

U.S. Company Seeks To 'Clinch' Aircraft Deal

OW0503050892 Beijing XINHUA in English 0226 GMT 5 Mar 92

[Text] Beijing, March 5 (XINHUA)—McDonnell Douglas, a multinational firm, is trying to clinch a multi-billion dollar deal in the next few months to cooperate with east China's Shanghai City to manufacture at least 150 MD-90 series aircraft for China's major domestic routes.

Pat Witkowski, regional vice president of commercial marketing with the McDonnell Douglas Pacific and Asia Ltd, said that he expected the deal to be signed in the very close future.

The project would enable McDonnell Douglas to upset the dominant position of its rival Boeing, which has delivered more than 100 planes to China.

McDonnell Douglas started its coproduction program in Shanghai in 1985 with Shanghai Aviation Industry Corporation and to date 25 MD passenger aircrafts have been delivered to Chinese airlines.

The company is also talking with Chinese officials about coproduction of its MD-95 model.

Central Eurasia

XINHUA: Russia Not To Sell Arms to Taiwan

OW0503025992 Beijing XINHUA in English 0153 GMT 5 Mar 92

[Text] Moscow, March 4 (XINHUA)—Russian leaders have no intention to sell weapons to Taiwan, Vitaliy Churkin, head of the Information Directorate of the Russian Foreign Ministry, said here today.

Churkin stressed that Russia regards Taiwan as an inalienable part of China, and the Government of the People's Republic of China is the sole legal government of China.

Churkin's remarks were made at a press conference in response to a statement of Russian first deputy minister of foreign economic relations, Sergey Glazyev, who told the Japanese newspaper ASAHI SHIMBUN in a recent interview that Taiwan is one of the potential importers of Russian armaments.

Trading Company To Open Retail Outlets in CIS

HK0403030892 Beijing CHINA DAILY in English 4 Mar 92 p 2

[By Wang Yong: "Trader Heads to Russia With Food"]

[Text] China's main trader of staple foods is ready to strengthen its foothold in the fertile markets of the former Soviet Union this year by opening more outlets there.

China National Cereals, Oils and Foodstuffs Import and Export Corporation is expected to open a large-scale

department store in the Russian Federation, after setting up an agency in Moscow a few years ago.

From September 1-10, the corporation will stage a large exhibition in the city of St Petersburg as part of a comprehensive trade fair of Chinese products orchestrated by the China Council for the Promotion of International Trade.

"We are planning to gear up our performance in the region through increased barter, border and entrepot trade this year," said Sun Qun, an official of the corporation.

He noted that the corporation exported \$300 million worth of products to the former Soviet republics in 1991.

The total export volume of the corporation last year hit \$3.7 billion, with imports valued at \$1.9 billion. The overall trade volume was 12.6 percent higher than 1990.

In another development, the corporation will participate in three more international exhibitions this year to boost its exports.

From March 10-14, it will organize its domestic subsidiaries for an appearance at the 17th International Food and Drink Exhibition in Japan.

In Singapore, it will take part in the Eighth Food and Hotel Asia '92 Fair from April 7-10.

It will also be present at an international fair held in Paris from October 25-29.

"Having established overseas headquarters in London, New York and Hong Kong to steer our 17 foreign-based enterprises, we will expend more efforts this year toward cultivating markets in developing nations," Sun said.

The corporation opened an office in Argentina last December to oversee its North and South American business.

It exported soybeans to Indonesia and the Philippines for the first time last year.

The corporation mainly exported soybean, corn, buckwheat and frozen rabbits and ducks to South Korea and in exchange got tinplate, polyethylene, peanuts and sesame.

The corporation had a record grain export last year, with the total volume hitting 12 million tons.

However, the export of primary products has given way to that of processed, higher-value-added ones.

"The export of sophisticated processed products took up 62 percent of our total exports last year," Sun pointed out.

He said the corporation will give more play to its overseas manufacturing enterprises this year to catapult its export business to a new high.

Last year, its 17 overseas enterprises generated a total income of \$4.5 billion, up 12 percent over the previous year.

Joint Russian Orthopedic Center Opens in Liaoning

OW0303033892 Beijing XINHUA in English
0306 GMT 03 Mar 92

[Text] Beijing, March 3 (XINHUA)—An orthopedic operation center jointly established by Chinese and Russian hospitals opened on Monday in Jinzhou in northeast China's Liaoning Province.

The famous Russian orthopedist Ilyzalov developed an orthopedic technique in the 1950s which was proved to be highly successful and was improved in the later decades.

The Shanghai based "WEN HUI BAO" reported today that the center will mainly use the Ilyzalov technique to treat its patients.

Since 1990, the central hospital of jinzhou city sent doctors to Russia to be trained and invited Russian experts to pass on techniques. The hospital has operated on more than 150 patients, helping those suffering congenital or acquired bone deformities.

After careful negotiations, the Chinese and Russian doctors reached agreement to set up the Jinzhou Ilyzalov Orthopedic Center with Russian orthopedists working at the center, the paper reported.

Russia Urges Peaceful Settlement in Moldavia

OW0503050992 Beijing XINHUA in English
0225 GMT 5 Mar 92

[Text] Moscow, March 4 (XINHUA)—The Russian Foreign Ministry today called for a peaceful solution to the conflict between Moldovans and other ethnic groups in the country.

In a statement, the ministry said the escalation of the conflict in eastern Moldova "will lead to unpredictable consequences not only for the people of Moldova but for the whole Commonwealth of Independent States (CIS)."

According to the local press, Moldovan armed forces and the national guardsmen of the self-proclaimed Dnestr Republic have been fighting since March 3 and dozens of people have been killed.

Dnestr Vice President Aleksander Karaman told a news conference here that "there is a very real danger that the Dnestr region might become a Moldavian variant of Yugoslavia as the fighting continues to escalate."

People living along the Bank of the Dnestr River are mostly Russian-speaking Ukrainians and Russians. They proclaimed independence and established the Dnestr Republic last summer because they feared that their Moldavian leaders were headed toward unification with Romania.

The Moldovan Government holds that the breakaway is unconstitutional.

Violence Continues in Nagorno-Karabakh

Withdrawing CIS Army Attacked

OW0503044292 Beijing XINHUA in English
0211 GMT 5 Mar 92

[Text] Moscow, March 4 (XINHUA)—Local military forces attacked the 366th motorized army of the Commonwealth of Independent States (CIS) as it was withdrawing from Stepanakert in Nagorno-Karabakh, killing one soldier.

ITAR-TASS says that military materials, including weapons and ammunition, have repeatedly been looted by local people.

On the order of Shaposhnikov, commander-in-chief of the CIS Armed Forces, the commander of the Transcaucasian Military District decided on March 1 to transfer his troops to Georgia by helicopters as quickly as possible.

Over the past four years, some 130,000 former Soviet troops of the Interior Ministry have been mediating in ethnic conflicts in the region.

After the disintegration of the Soviet Union, they gradually withdrew. The 366th motorized army is the last of them.

Local observers believe that armed clashes between Azerbaijan and Armenia will intensify following the withdrawal of the CIS forces.

Yeltsin Calls For Cease-Fire

OW0503055792 Beijing XINHUA in English
0309 GMT 5 Mar 92

[Text] Moscow, March 4 (XINHUA)—Russian President Boris Yeltsin today called on Azerbaijan and Armenia to effect a ceasefire in Nagorno-Karabakh region and to start peace talks.

Yeltsin, who made the call to the presidents of Azerbaijan and Armenia, asked the two leaders to "show their political determination and sense of reasons".

He said his country will continue its diplomatic activities for realizing peace in the region torn by fresh fightings.

For the purpose, the Russian president announced the Foreign Ministry will send a special mission to Nagorno-Karabakh region to mediate the dispute.

Armenia and Azerbaijan have been vying for the control of the region, which is dominated by Armenian population but has been under the jurisdiction of Azerbaijan since 1923.

Over 1,000 people have been killed in ethnic conflicts in the region in the past four years.

Kazakh President Urges Cease-Fire

OW0503052792 Beijing XINHUA in English
0250 GMT 5 Mar 92

[Text] Moscow, March 4 (XINHUA)—Kazakh President Nursultan Nazarbayev today appealed to the conflicting parties in the Nagorno-Karabakh area to bury the hatchet, in another attempt to put a lid on the ethnic conflict.

In a statement, Nazarbayev said that situation in the Nagorno-Karabakh area may give rise to other conflicts within the Commonwealth of Independent States (CIS).

The tragic development of armed conflicts also may turn the Transcaucasian Region and Northern Caucasus into a lasting hotbed of tension, he said.

The president urged an immediate ceasefire, the suspension of an armed forces buildup by all CIS members and the creation of special peacekeeping forces for all CIS trouble spots.

He said that his nation would put forth a suggestion to back the efforts of the European Community in settling the Nagorno-Karabakh conflict.

Observers here noted that it was the second time the Kazakh president had come forth in an attempt to resolve the conflict. He worked in tandem with Russian President Boris Yeltsin last year to try to bring an end to the fighting in the region.

Northeast Asia

Kim Il-song Meets Public Health Delegation

HK0503053992 Beijing RENMIN RIBAO
in Chinese 29 Feb 92 p 6

[By Zhou Bizhong (0719 1801 1813): "Kim Il-Song Meets Chinese Government Health Delegation"]

[Text] Pyongyang, 28 February (RENMIN RIBAO)—Kim Il-song, president of the Democratic People's Republic of Korea said here today that friendship between Korea and China has developed very well.

The above remarks were made when Kim Il-song met the members of a Chinese Government public health delegation headed by Chen Minzhang, minister of public health.

Chen Minzhang conveyed regards to Kim Il-song from Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng, for which Kim Il-song expressed gratitude. He asked Chen Minzhang to convey his compliments to Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng.

Kim Il-song recalled with deep feeling his friendship with Chairman Mao Zedong, Premier Zhou Enlai, and other Chinese party and government leaders. He said: There is a profound historical tradition in the friendship

between Korea and China. In the present complicated situation, it is very important to strengthen Korean-Chinese friendship.

Kim Il-song warmly welcomed the Chinese public health delegation's visit to Korea and briefed the delegation on public health conditions and health protection in Korea.

After the meeting, Kim Il-song gave a luncheon in honor of Chen Minzhang and his party.

Vice Premier and Foreign Minister Kim Yong-nam, Public Health Minister Yi Chong-yul, and Chinese Ambassador to Korea Zheng Yi were present at the meeting and luncheon.

DPRK, ROK Meet on Nuclear Control

*OW0403185992 Beijing XINHUA in English
1458 GMT 4 Mar 92*

[Text] Pyongyang, March 4 (XINHUA)—The two sides of Korea made their fourth contact at Panmunjom today to discuss the formation and operation of a joint nuclear control committee (JNCC).

Through the contact behind closed doors the two delegations made some progress on certain issues, but much divergence of views remained.

According to Choe U-chin, delegate of the North side, the two delegations discussed the drafts on the formation and operation of the JNCC put forward by both sides.

He said the two sides had come a bit closer on certain clauses of the operation and on the number of members of the JNCC.

But the two sides were divided on foreign nuclear weapons, nuclear bases in the Korean Peninsula and international assurance on the denuclearization of the Korean Peninsula, he added.

No agreement was reached in today's contact.

The two delegations decided to hold the next contact on Friday.

Japanese Minister Welcomes Bush MFN Veto

*OW0403142992 Beijing XINHUA in English
1247 GMT 4 Mar 92*

[Text] Tokyo, March 4 (XINHUA)—Japanese Foreign Minister Michio Watanabe today welcomed U.S. President George Bush's veto of a bill that would impose conditions on China's most-favored-nation (MFN) trade status, Foreign Ministry officials said.

The officials said Watanabe made the statement during a meeting with Gaston Sigur, a former assistant secretary of state in the Reagan administration and now a professor at Georgetown University in Washington.

Watanabe, also Japanese vice prime minister, was quoted as saying Bush's rejection of the bill was a "wise" move that demonstrated his decision-making ability.

Bush vetoed Monday the legislation that would have tied renewal of China's MFN status to human rights, arms proliferation and trade conditions.

Southeast Asia & Pacific

Yunnan Governor-Led Delegation Returns From SRV

*HK0403025292 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 3 Mar 92*

[Excerpts] The Yunnan Government delegation headed by Governor He Zhiqiang returned to Kunming at midday today after a successful visit to Vietnam and was accorded a red-carpet welcome by provincial party and government leaders Yin Jun, Li Shuji, and others. [passage omitted]

During its Vietnam stay, the delegation met with Truan Duc Luong, vice chairman of the Council of Ministers; Nguyen Manh Cam, minister of foreign affairs; and other leaders. Governor He Zhiqiang told the hosts about the achievements Yunnan scored over the last few years since introducing the reform and opening up policies and the two sides exchanged views on developing good-neighborly relations and economic cooperation.

While in Hanoi, the delegation held talks with the ministers of communications, transportation, and post; heavy industry; commerce and tourism; and agriculture and food industry on possibility of bilateral cooperation and other subjects. [passage omitted] The delegation also signed minutes of talks with a number of cities in Vietnam.

The two sides believed that what is important for the present is the early opening to traffic of the Yunnan-Vietnam railway. [passage omitted]

The provincial economic relations and trade office, which was included in the delegation, held talks with related Vietnamese Government departments and signed a number of trade contracts and declarations of intent.

CPPCC Leader, Lao Visitor Hold Talks

*OW0503080792 Beijing XINHUA in English
0701 GMT 5 Mar 92*

[Text] Beijing, March 5 (XINHUA)—Hong Xuezhi, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), held working talks with Maisouk Saisomphen, chairman of the Lao Front for National Reconstruction (LFNR), here today.

Both sides exchanged views on strengthening friendly contacts during the talks.

Maisouk Saisompheng and Secretary-General of CPPCC National Committee Song Demin also briefed each other on the work of the LFNR and the CPPCC respectively.

The guests arrived in China on March 1 at the invitation of the CPPCC National Committee.

Near East & South Asia

Li Peng, Kuwaiti Delegation View Ties

OW0403130592 Beijing XINHUA in English
1242 GMT 4 Mar 92

[Text] Beijing, March 4 (XINHUA)—Chinese Premier Li Peng said here today that, with the expanding of the reform and opening and the improvement of investment conditions in China, economic and technological co-operation and trade ties between China and Kuwait would be further developed.

Li made the remark in a meeting with Nasir 'Abdallah al-Ridan, minister of finance of Kuwait, here today. This is the fourth time Li and al-Ridan have met.

Al-Ridan passed to Li a letter from Shaykh Sa'ad al-'Abdallah al-Salim, heir-apparent and prime minister of Kuwait.

According to Chinese sources, Li said that Kuwait's Amir Shaykh al-Jabir Jabir al-Ahmad al-Sabah has visited China twice, and the visits played an important part in promoting Sino-Kuwaiti relations.

Li said he was pleased to see that the post-war reconstruction of Kuwait is going smoothly and that oil production is being restored and he extended his congratulations.

He expressed belief that, under the leadership of Amir Shaykh al-Jabir Jabir al-Ahmad al-Sabah and with the efforts of the Kuwaiti people, Kuwait would make more progress in its reconstruction.

Li said the relations between the two countries have always been good. Even when Kuwait was in very difficult conditions, the co-operation between China and Kuwait was not interrupted, neither did Kuwait suspend its loans to China. Li expressed his thanks to Kuwait for this.

He noted that China is willing to offer as much help as it can to help Kuwait reconstruct, whether in manpower or in technology.

Al-Ridan said that the Kuwaiti leaders and government appreciate China's support and principled stand during the Gulf war. He said he has come to discuss with the Chinese side further developing Kuwaiti-Chinese relations in various fields.

At the invitation of Chinese Minister of Foreign Economic Relations and Trade Li Lanqing, al-Ridan is leading an economic delegation from the Kuwaiti Government, which arrived Tuesday.

Earlier today Vice-Minister of Foreign Economic Relations and Trade Wu Yi held talks with al-Ridan and his party on economic co-operation and trade ties.

Official Says Sino-Nepal Relations 'Fruitful'

OW0503112492 Beijing XINHUA in English
1115 GMT 5 Mar 92

[Text] Kathmandu, March 5 (XINHUA)—A Chinese Government economic and trade delegation led by a vice-minister arrived here today to attend the sixth session of the China-Nepal Inter-Governmental Economic and Trade Committee.

Upon his arrival at the airport, the Chinese Vice-Minister of Foreign Economic Relations and Trade, Wang Wendong, told newsmen that "the cooperative relations between China and Nepal in the fields of economy, trade and all other sectors are very fruitful."

He said China and Nepal are neighbors with traditional friendship.

The upcoming visit to China by Nepalese Prime Minister Girija Prasad Koirala is really a big event in the relations between the two countries, Wang said, adding that the Chinese Government and people are expecting his visit.

The committee, which was established in 1983 with the aim of promoting trade and expanding economic cooperation between the two countries, holds meetings alternately in Beijing and Kathmandu annually.

At the forthcoming session, the two sides will review the progress in the bilateral trade and economic cooperation and explore possibilities of exploring new areas.

So far, a total of 21 projects, including roads and factories, have been built in Nepal with Chinese assistance. Last year, the volume of trade between the two countries exceeded 40 million U.S. dollars.

India Prime Minister Discusses Ties, NPT

OW0303062192 Beijing XINHUA in English
0557 GMT 3 Mar 92

[Text] New Delhi, March 3 (XINHUA)—India is firm in its resolve not to manufacture nuclear weapons, Indian Prime Minister P.V. Narasimha Rao has said.

At a recent wide-ranging interview with the Bombay-based fortnightly ONLOOKER, he reiterated that his country will not sign the nuclear non-proliferation treaty [NPT].

This is because the treaty does not provide for global nuclear disarmament favored by India, he added.

On the visit to India by Chinese Premier Li Peng in November last year, Rao said it has underlined the resolve of both countries to find peaceful solutions to

outstanding issues and to intensify their efforts to promote bilateral cooperation in various spheres of mutual interest.

"A positive momentum has been established in our dialogue with China and we look forward to the future in our relations with that country," the prime minister said.

On relations with Pakistan, Rao accused the neighboring country of supporting terrorist and secessionist forces in India-controlled Kashmir, saying this is a "hindrance to improvement in the relations between the two countries."

Education Minister Holds Talks in Sri Lanka

Endorses University Exchanges

OW0303162492 Beijing XINHUA in English
1446 GMT 3 Mar 92

[Text] Colombo, March 3 (XINHUA)—Sri Lanka and China should further strengthen their friendly cooperation in the field of education, Sri Lankan Minister of Justice and Higher Education A.C.S. Hameed said here today.

He made the remarks at a meeting with a Chinese delegation led by Li Tieying, state councillor and minister in charge of the State Education Commission.

Hameed expressed his satisfaction with the current cooperation between the two countries and called for their strengthened cooperation in education.

Sri Lanka and China enjoy close relations and China is Sri Lanka's closest friend, Hameed said. He added that China makes positive responses whenever Sri Lanka runs into difficulties.

The Chinese state councillor said that Sino-Sri Lankan educational cooperation has been developing well in recent years with exchanges of students and teachers.

"The two countries can strengthen inter-university exchanges in the future," he said. China welcomes not only Sri Lankan students who enjoy scholarships provided by their own government, but those who want to pursue their studies in China at their own expenses, he added.

"It is of much significance for schools of higher education in developing countries to open up this kind of exchanges," he said.

At the end of the meeting, Hameed thanked Li for inviting him to visit China at the head of a Sri Lankan education delegation at his convenience.

Premadasa, Li Discuss Cooperation

OW0403190292 Beijing XINHUA in English
1644 GMT 4 Mar 92

[Text] Colombo, March 4 (XINHUA)—Sri Lankan President Ranasinghe Premadasa said here today that his

country values its friendship with China and is willing to further strengthen friendly cooperations between the two countries.

He was speaking during a meeting with a visiting Chinese education delegation led by Li Tieying, state councillor and minister in charge of the State Education Commission.

Sri Lanka and China face many similar problems and hence there is the need and broad prospect for future cooperations, he said.

During the meeting, Li Tieying conveyed sincere greetings from President Yang Shangkun and Premier Li Peng to President Premadasa. President Premadasa also asked Li Tieying to convey his greetings to Deng Xiaoping, President Yang Shangkun, and Premier Li Peng.

Briefing the president on China's domestic situations, the state councillor said that China will uphold its current open and reform policies and cultivate friendly relations with foreign countries on the basis of the Five Principles of Peaceful Co-Existence.

Present at the meeting were Sri Lankan Minister of Justice and Higher Education A.C.S. Hameed and Chinese Ambassador Zhang Lian.

Earlier today Sri Lankan Prime Minister D.B. Wijetunge also met with the Chinese delegation and held friendly talks with Li Tieying.

'Roundup' Views Renewed Pressure on Iraq

OW0503110892 Beijing XINHUA Domestic Service
in Chinese 1552 GMT 4 Mar 92

[Roundup by reporter Wang Shengliang (3769 3932 5328): "The West Exerts Pressure Again on Iraq]

[Text] London, 4 March (XINHUA)—One year after the end of the Persian Gulf war, the United States, Britain, and other Western countries are again exerting pressure on Iraq, urging it to destroy weapons of mass destruction and the military industry machinery that is used to produce them, in compliance with the UN resolution. They have also threatened that if Iraq fails to enforce the resolution, the Western nations will conduct air raids against them by the end of this month.

British Foreign Affairs Secretary Hurd said on 1 March: "We do not rule out the possibility of taking action (against Iraq) again." In a statement issued in the name of the UN Security Council one day before Hurd's statement, U.S. ambassador to the UN Pickering, said: Iraq "must realize the seriousness of its continued grave violation of UN Resolution 687." When asked whether or not force will be used, he said: "We all know what the Security Council can do," hinting that "March should be an Iraqi month." At the same time, France also issued similar warning.

According to reports carried by newspapers here, the reason why the West is again exerting pressure on Iraq lies in its refusal of long-term UN supervision of its military industry, and UN supervision and assistance in destroying its "Scud" missile production facilities. A team of guarded missile experts dispatched by the UN to Baghdad in late February was withdrawn on 28 February—the deadline set by the UN Security Council for Iraq to destroy its guided missiles facilities—when it was refused permission to supervise the destruction of three guided missiles manufacturing facilities near Baghdad after a week-long wait. In a letter to the UN Security Council dated the same day, Iraq denied both non-enforcement of the UN resolution and adoption of a non-cooperative attitude in destroying the weapons. Iraq said that it will convert these facilities to civilian use, such as for the petroleum industry. Iraq demanded the lifting of sanctions against it as a condition for its consent to UN supervision of its military industry.

With the passage of the UN Security Council deadline on the destruction of Iraq's guided missiles facilities, as a diplomat of one Gulf nation put it, "the situation is very serious." According to a report in THE SUNDAY TIMES, quoting a senior U.S. official, the United States and Britain have finalized plans for a series of limited air raids on Iraq's guided missiles factories and nuclear facilities. The official said: "We are inclined to opt for confrontation as the method for solving the problem." It has been learned that the plan will be carried out by the U.S. and British Air Force members currently stationed in Turkey and Saudi Arabia. At present, the United States has 150 fighters stationed in Saudi Arabia alone, and together with Britain and France, over 60 in Turkey.

The Western nations have demanded an explanation from Iraq within two weeks. It was reported that Iraqi Deputy Prime Minister Aziz will lead a delegation to New York this week to explain to the UN Security Council why Baghdad will not agree to the destruction of its guided missiles facilities. In its letter to the Security Council, Iraq requested the council first meet Iraqi engineers and technicians in New York before making any decision on whether or not to destroy nuclear facilities which may be used for civilian purposes.

In the meantime, Britain and France also suggested that the UN send an envoy to Iraq to assess the situation with the Kurds and other organizations, as a means to exert further pressure on Iraq. The United States, however, was worried that such action may distract attention away from forcing Iraq to destroy its weapons and guided missiles facilities. According to the British press, Britain and the United States are also trying to subvert Saddam's government through secret agents. However, both Egypt and Saudi Arabia as well as other Gulf nations favor neither the use of force by the West, nor the conduct of covert subversive activities against Iraq.

West Europe

Cypriot House Head, Delegation Arrive for Talks

NPC Chairman Extends Greeting

OW0303140392 Beijing XINHUA in English
1336 GMT 3 Mar 92

[Text] Beijing, March 3 (XINHUA)—Wan Li, chairman of the Chinese National People's Congress (NPC) Standing Committee, met with Alexis Galanos, president of the House of Representatives of Cyprus, and his party at the Great Hall of the People here this evening.

Wan extended a warm welcome to the Cypriot visitors. He said the development of friendly relations between the two parliaments in recent years has greatly promoted the friendship and mutual understanding between the two countries.

He briefed Galanos on China's domestic situation, saying that China, a multinational country, is now enjoying political stability and unity of all nationalities, and its economy is undergoing rapid development.

Wan also gave an account of China's reform and opening to the outside world as well as China's foreign policy.

Galanos said Cyprus is delighted to see that China is stable politically, and the reform and open policies have ensured progress in China's economy.

He said that Cyprus and China share close relations established on the basis of mutual trust.

Galanos and his party arrived here today for a friendly visit to China at the invitation of the NPC Standing Committee.

Liao Hangsheng, Galanos Hold Talks

OW0403101792 Beijing XINHUA in English
0929 GMT 4 Mar 92

[Text] Beijing, March 4 (XINHUA)—Liao Hangsheng, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, held talks with Alexis Galanos, president of the House of Representatives of Cyprus, at the Great Hall of the People here today.

The visitors arrived here Tuesday for a visit at the invitation of the NPC Standing Committee.

CPC Member Zhu Liang Meets Galanos

OW0403134792 Beijing XINHUA in English
1215 GMT 4 Mar 92

[Text] Beijing, March 4 (XINHUA)—Zhu Liang, member of the Chinese Communist Party (CPC) Central Committee and head of its Liaison Department, met with Alexis Galanos, president of the House of Representatives of Cyprus, and his party here this evening.

Zhu briefed the guests on the friendly contacts between the CPC and political parties in other countries.

Galanos and his party arrived here yesterday for a friendly visit at the invitation of the Chinese National People's Congress Standing Committee.

Government Opposes 'Power Politics'

*OW0403135792 Beijing XINHUA in English
1339 GMT 4 Mar 92*

[Text] Beijing, March 4 (XINHUA)—Chinese President Yang Shangkun said here today that the Chinese Government has always been opposed to power politics.

Yang made the remark during a meeting with Alexis Galanos, president of the House of Representatives of Cyprus, and his party.

An official attending the meeting quoted Yang as saying: "The position of the Chinese Government is that all countries, large or small, developed or developing, should be treated equally."

The president said that it is essential that every country join in a common effort to establish a new international political and economic order based on the five principles of peaceful coexistence.

Yang welcomed the Cypriot visitors on behalf of the Chinese Government, saying that in today's rapidly changing world it is essential that Chinese and Cypriot

leaders, and members of the parliaments of the two countries, exchange views on bilateral relations and issues of common concern.

Yang said that Sino-Cypriot diplomatic relations have developed smoothly, and that "China is willing to promote cooperation with Cyprus in all areas."

He said that "China supports the Non-Aligned Movement," and noted that China is applying to become an observer to the movement in order to join efforts with them in establishing a new international order.

Galanos thanked the Chinese president for China's support for Cyprus.

He praised China for its achievements resulting from reform and opening to the outside world.

According to Galanos, China's application for observer status to the Non-Aligned Movement is highly significant, and will be conducive to further development of the movement.

Galanos conveyed the best wishes of Cypriot President George Vassiliou and reasserted the Cypriot president's invitation for Yang to visit Cyprus. The Chinese president expressed his gratitude and requested Galanos to convey his regards to President Vassiliou.

Qian Qichen, Chinese state councillor and foreign minister, also met with the Cypriot delegation this afternoon.

Political & Social

Article Analyzes Deng-Chen Yun Rupture

HK0303152192 Hong Kong CHENG MING
[CONTENDING] in Chinese No 183, 1 Mar 92
pp 12-13

["Notes on a Northern Journey" by Lo Ping (5012 0393):
"Five Signs Showing a Rupture Between Deng and
Chen"]

[Text] If we view Deng Xiaoping's talks aimed at Chen
Yun's dogmatism during his recent southern trip as a
peripheral clash in the contention between Deng
Xiaoping and Chen Yun, the talks between Deng
Xiaoping and Chen Yun in Shanghai was then hand-
to-hand combat.

Their talks from 2-6 February resulted in a rupture
between the Deng and Chen factions.

Deng Failed in "Changing" Chen Yun's Concepts

The signs of a rupture are obvious.

Jiang Zemin made a special trip from Beijing to
Shanghai to meet Deng Xiaoping on 5 February, the
third day after the first round of talks between Deng
Xiaoping and Chen Yun. At that time, Deng Xiaoping
was still angry because of his argument with Chen Yun,
and said to Jiang Zemin:

"Today, the focal expression of inner-party dogmatism is
precisely formalism; (editor's note: During his southern
inspection tour, Deng also talked about formalism,
which refers to empty talk and arbitrary criticism) could
formalism be Marxism? Some comrades are very stub-
born, and are scaring and suppressing others with
Marxist dogma; could dogmatism be the quality of a
genuine communist? Practice is the sole criterion for
testing truth. How can there be so much censure against
reform and opening up, which were unanimously
adopted at a conference? If some people fail to make
progress, they should at least talk and interfere less. To
my mind, it will be rather difficult for those comrades to
change their minds."

The last sentence shows that Deng Xiaoping has failed in
his attempt to "change" Chen Yun's concepts in their
talks. It was said that on the grounds that the theory of
one center (namely, the party's central work is economic
construction) would play a positive role and effectively
function in preventing peaceful evolution, Deng
Xiaoping tried at first to persuade Chen Yun to give up
his concept of "another center" (namely, taking ideologi-
cal development as the party's central work), but failed.
Chen Yun insisted: The party's ideological development
is above all else. No matter how economic construction
develops, if party cadres, especially leading cadres fail to
uphold the Marxist-Leninist position and viewpoints,
and fail to reject the erosion caused by the influx of
Western decadent ideology, resulting from reform and

opening up, they would change their nature and be
captives of the peaceful evolution strategy of hostile
forces at home and overseas. This being the case, eco-
nomic construction should not stand above all else; at
the least it should not be the sole issue that stands above
all else. It was said that Chen Yun had also criticized
Deng Xiaoping, whereas the latter had also made
counter-criticisms. Of course, the first round of talks
between the two CPC big shots ended on bad terms.

"If We Get into Trouble, I, Xiaoping Will Take Full Responsibility"

Although Deng Xiaoping did not single out Chen Yun,
he sharply criticized him; furthermore, Deng proposed
the need to increase the weight of reform and opening
up, regardless of how dogmatism might interfere, and the
need to continue breaking a new path, saying, "if we get
into trouble, I, Xiaoping will take full responsibility."

That was the first sign of the rupture in the Deng-Chen
talks.

The second sign was that Deng Xiaoping and Jiang
Zemin (and also Yang Shangkun) had made some
arrangements during the meeting so that Deng Xiaop-
ing's ideas on reform and opening up would become the
unified thinking of the entire leadership tier and the
whole party as well. After Jiang Zemin returned to
Beijing, a Political Bureau session was convoked on 8
February, at which Deng Xiaoping's talks on adhering to
one center, accelerating reform and opening up, and
counter-attacking Chen Yun's dogmatic theory on
another center were aired. The relay was not confined to
the central organs, but was relayed down to the grass
roots. The man in the street has probably learned of
some of the contents of Deng's talks, and some of Deng's
epigrams, such as "importance should be attached to the
one center for a hundred years," and "one talks louder
only when one possesses greater wealth" have become
very popular among some Beijing citizens.

The Shanghai Press Has Created a Momentum in Response to the Political Bureau Conference

The third sign was that Shanghai's JIEFANG RIBAO
and WENHUI BAO carried a series of articles on Deng
Xiaoping's talks in Shanghai, including Deng's speeches
arguing with Chen Yun. WENHUI BAO in particular
carried commentaries for three days running, supporting
Deng while playing down Chen in an undertone. SHEN-
ZHEN TEQU BAO later followed the footsteps of the
Shanghai press. That was an offensive by the Deng's
faction in the world of public opinion. In contrast, there
has been no response from RENMIN RIBAO and
GUANGMING RIBAO, which are in control of Chen
Yun's men; only the People's Radio Broadcasting Sta-
tion said something. We thus can see that the confron-
tation and struggles between the Chen and Deng factions
have already come out in the open.

Some 20 Advisory Commission Members Resisted the Meeting To Discuss Ideological Guidelines

The fourth sign was the Central Committee meeting to discuss ideological guidelines (because the Political Bureau is the meeting's main body, it therefore called the Politburo's enlarged session). The participants of this meeting included the Central Advisory Commission members; however, 20-some people, including Wang Zhen and Deng Liqun asked for leave. That was actually a move to resist the meeting. Probably, Chen Yun's men had estimated that the meeting was just a briefing, with the attendants hearing relays and no chance for them to discuss or air their views on the contents relayed.

That Chen Yun's Strength Is Waning Is Making Itself Felt

And the fifth sign was that Chen Yun abruptly returned to Beijing from Shanghai ahead of schedule. Chen Yun used to recuperate in Shanghai during the winter and would return to Beijing only in March and April when the weather became warmer. This time, he broke with his usual practice and returned to Beijing ahead of schedule. Chen Yuan called an Advisory Commission session in the name of its director, at which session, Deng's faction and Chen's faction argued; thus we can see that the strength of Chen's faction is waning.

The rupture between Deng and Chen, and in the CPC top echelon is already a fact today, but what the people in Beijing are wondering is whether this rupture will help China. Deng Xiaoping said that political reform will be conducted when economic construction is mature. Some intellectuals believe that Deng Xiaoping's thinking on reform is more progressive than Chen Yun's ossified thinking. However, if political reform is delayed, many big problems in China, including corruption, power abuse, and the lack of a system to supervise, restrict, and check power, will certainly play a role in impeding and sabotaging economic construction. This being the case, some of them did not express their heartfelt support for Deng Xiaoping, but expressed cautious optimism and support with reservations.

Commentator's Article on Control of Public Order

*HK0403150192 Beijing RENMIN RIBAO in Chinese
2 Mar 92 p 1*

[Commentator's article: "Entering a New Stage—Written on the First Anniversary of the Promulgation of the 'Decision on Strengthening Overall Control of Public Order'"]

[Text] It is a year since the "Decision on Strengthening Overall Control of Public Order" was promulgated by the National People Congress [NPC] Standing Committee. Over the past year, the "Decision" has been implemented by all regions and departments throughout the country, which has further aroused the enthusiasm of the entire people in safeguarding social order, mobilized the initiative of the masses to engage in the overall control of

public order, vigorously promoted the implementation of various measures for overall control, and accelerated improvement of public order and stable development of society.

Practice has proved that the overall control of public order is an important aspect in building socialism with Chinese characteristics and a fundamental way to solve the problem of our social order. Along with the in-depth development of reform and opening up, all departments and regions have made concerted efforts to ensure the overall control of public order. It is of vital importance to further promoting political and social stability as well as the economic development in our country.

This year is an important year in which our country will deepen reform, open wider to the outside world, and give impetus to the profound development of our socialist modernization drive. It is a common task of the entire party and people to do a better job of safeguarding the social order. The National Political and Law Work Meeting held in Zhuhai, Guangdong, a short time ago clearly defined the tasks for this year's overall control of public order work. They are: Further implement the two decisions on strengthening overall control of public order promulgated by the CPC Central Committee, the State Council, and the NPC Standing Committee, make great efforts to put into practice various measures for overall control of public order in all departments as well as in grass-roots units, raise the quality of "dealing a heavy blow," energetically step up prevention work and foundation building of grass-roots units, and disseminate successful experience, so as to scale new heights in overall control of public order work.

Whether overall control of public order work in a region and department can be conducted well depends mainly on the following three factors: 1) How much importance the principal leading cadres of the party and government have given it; 2) to what extent all walks of life and the broad masses are mobilized; and 3) how fully the political and law departments play their backbone role. At present, in the course of further deepening reform and opening up wider, relations between various kinds of interests are very complicated, and there are many factors affecting the problems of public order. In order to scale a new height for the overall control of public order on the basis of achievements already made, it is necessary to overcome as quickly as possible the ideas that "it has nothing to do with me" and "you maintain public order for my order sake," which exist in the leading comrades of some departments and regions. Up to now, some comrades still believe: "Public order is the affair of the political and law departments." Consequently, there are phenomena of relying on and shifting responsibilities to others, and, in some places, there even emerged the situation that "the stage of overall control is big, performers are few, and the public order, political, and law workers have to put on a one-man show." If these problems of understanding are not resolved, it is impossible to carry out in real earnest the measures for overall control of public order.

Local party committees and governments, those of counties, cities, townships, and towns in particular, are shouldering the political responsibilities of "securing peace and order in a region." After practicing the principle of "combining central with local authorities, with emphasis being laid on the latter" in overall control of public order work, relatively speaking, the responsibilities of local authorities are even heavier. That is why it is all the more necessary to release strength and initiative from all quarters to conscientiously maintain good public order in local regions. Moreover, all departments, trades, and units should enthusiastically make joint efforts to strive for actual results.

Political and law departments are mainstays of overall control of public order. Continuously waging the struggle of "dealing a heavy blow" is the key link of overall control of public order and the prerequisite of other measures for implementing overall control. It is necessary to put into effect the principle of "dealing a heavy blow" unflinchingly. Whenever criminal activities have gained ground, we must strike relentless blows at them. We must thoroughly carry out extensive struggles to ban narcotics, check and prohibit prostitution, hit hard at abducting and selling women and children, crack down on robberies and road tyranny along trunk lines of railways and main highways, and combat trafficking and stealing. As for criminal gangs of hooligans, even harder and quicker blows must be struck at them, to consolidate and expand achievements of overall control of public order. After the enthusiasm of various departments and the broad masses has been aroused to participate in the overall control of public order, the political and law departments should more effectively organize and coordinate with various forces to push forward the implementation of overall control measures. The basic-level political and law cadres and policemen should intensify their concepts of serving the people, people's democratic dictatorship, socialist democracy and legal system, professional morality, and execution of duties in a civilized manner. In their work, they should vigorously support and protect the people's enthusiasm in maintaining public order, encourage them to boldly fight criminal acts in violation of the law, and make new achievements to realize the objective of scaling a new height in the work of overall control of public order.

Mao's Grandson Stresses Study of History

HK0403101192 Beijing QIUSHI in Chinese No 2,
16 Jan 92 pp 45-46

[Article by Mao Xinyu (3029 2450 1342), fourth-year student at the People's University of China, History Department: "We Shall Remain Forever Naive If We Do Not Study History"—given as a speech at the 1991 National Academic Conference of Young History Workers]

[Text] Young people like to look forward to the future but are not accustomed to looking back and reviewing the past. Why is it that young people should study and

research history? On this question, I would like to put forth my personal understanding and a few of my personal views.

We humans live in a time span which encompasses the past, the present and the future. We young people have little experience in our lives and understand little about "the past." If we do not stress the study of history, it will naturally be easy for biases, extremes, and worries to emerge in our assessments of questions and we may even be led astray. A correct understanding of society, and establishing a correct view of life and correct values are inseparable from an understanding of history. For example, with respect to the 150 years of China's modern history since the Opium War, if we are ignorant of the arduous and difficult struggle which numerous people with lofty ideals engaged in in pursuit of the liberation of China, there will be no way to understand the significance of the phrase "only socialism can save China," and of course there will be no way to understand why we must uphold socialism. At present, some dramatic changes have taken place in some socialist countries and the achievements of decades of revolution and construction have gone to waste. However, the temporary setbacks of the international communist movement does not show that socialism does not accord with China's national situation. Socialism is the rational choice made by the Chinese people on the basis of the historical experiences and lessons of over 100 years. China has a different national situation from those countries, has a strong CPC, a strong people's armed forces and has a broad mass of people with a high level of understanding. As we have chosen socialism, we certainly can continue along the road of building socialism with Chinese characteristics.

A few years ago, a magazine which was widely welcomed by young people was WAIGUO SHI ZHISHI [FOREIGN HISTORY KNOWLEDGE]. In its first issue in 1981, an article based on an interview with the veteran Chen Hansheng (7115 5060 4563) was published. This article was entitled "History Is Life's Teacher." This was a Latin proverb from ancient Rome which Mr. Chen Hansheng quoted. Mr. Chen Hansheng used his own personal experiences to explain the close links between his maturation and his study of history. During the first stage, he studied the achievements of some ancient persons and worked to become an upstanding person. This was the "moral cultivation" stage. The second stage was one in which, through further study of history, he "understood that cultivating oneself was not the answer; if the country is not prosperous and strong, what future did one have?" Thus, in his mind there emerged the patriotic idea and desire to devote himself to the motherland. The third stage was when he studied abroad, and through his research on world history, he "came to feel strongly that there are both internal and external factors determining whether a country becomes strong and prosperous, and only by clearly understanding these factors can one find a way to save the country." The final stage was one where he returned from abroad to teach at

Beijing University. He then recognized that "although I had studied history abroad for many years, I had not fully understood history, and did not know how history developed or what patterns it followed. The study of historical knowledge just by looking at things as they stand without combining study with practice does not resolve any problems." Later, he discovered Marxism and Comrade Li Dazhao, the Communist International, and the CPC and then discovered the correct solution to the problem of history and practice. Mr. Chen Hansheng earnestly and sincerely said: "History is a discipline which guides practice. If one does not understand where mankind came from, one will not understand the development patterns of history, and will be unable to establish a correct view of life."

Mr. Chen Hansheng's review of his road of growth is very inspirational to every young Chinese student, and one feels that this is indeed the crystallization of the experiences of his life, and is worthy of deep reflection. I believe that his experiences illustrate at least two truths. The first is that an in-depth study of the history of the motherland and world history can encourage young people to establish a correct view of life and travel a successful road. The second is that Marxism is the key in researching history and in solving all types of historical problems. Thus, when we study and research history, we must uphold Marxism.

My grandfather Mao Zedong always stressed history. In his article "The CPC's Position in the National War," he stated: "Studying our historical legacy and using a Marxist method to critically sum it our legacy is another task in our study. Our nation has a history of several thousand years and has its own characteristics and many valuable elements. With respect to these, we are still primary school students. Today's China is a development of historical China. We are Marxist historians and should not cut ourselves off from history. We must sum up history from Confucius to Sun Yat-sen and inherit the valuable legacies. This will be of great help in guiding the great movement at present." He not only read many valuable ancient Chinese books such as the "Twenty-Four Dynastic Histories," but also did a great amount of annotating. It can be said without exaggeration that he was an outstanding historian. It was because he had a profound understanding of China's history and national situation that he was able to correctly combine Marxism and China's national situation, and lead the Chinese people in realizing great victories in the new democratic revolution, in the socialist revolution, and in socialist construction.

If he was not thoroughly versed in history, he could not have become a great Marxist theoretician and could not have led the Chinese revolution to victory. Of course the success of the Chinese revolution certainly cannot be attributed to him personally. It must instead be attributed to the CPC. The entire history of our country's revolution proves that without the CPC, there would be no New China and that only the CPC is qualified to be

the core force in leading our cause. Lenin said: "Forgetting the past means betrayal." Today, so many of we young history workers are gathered together in this one hall, learning from each other, and I deeply feel the important task which our generation of young history workers bear. I believe that when studying and researching history, we especially cannot forget or overlook the 70-year history of our party since its founding, since it is within that history that many valuable historical experiences and much spiritual wealth is contained.

I cherish the memory of the many revolutionaries of the older generation, including my grandfather, Zhou Enlai, Liu Shaoqi, Zhu De, and so on. I also cherish the memory of the millions of revolutionary martyrs who followed them and struggled arduously or even gave their lives for national independence, the people's freedom, and the power and prosperity of the state. These people used their vigor, their blood, and their lives to initiate the invigoration of the modern Chinese nation. Today, in a situation of great change in the international arena, we must especially cherish this period of history and the revolutionary martyrs who gave their blood and lives in exchange for the people's republic. History cannot be cut off. We must carry forward the cause, forge into the future, and build a prosperous and great socialist motherland which has been modernized in four spheres.

We young people should not only look to the future, but must in the same way pay attention to studying the past. If we do not seriously study history, we will remain forever naive.

Wang Meng Short Story on Reform Critiqued

HK2102093092 Beijing WENYI BAO in Chinese
25 Jan 92 p 3

[Article by Wang Changgui (3769 7022 6311): "Commenting on 'Hard Thin Gruel'"]

[Text] I. Why Comment on "Hard Thin Gruel"

Recently, a dispute broke out over "Hard Thin Gruel," a short story published two years ago. This issue has attracted quite a bit of attention. Dozens of overseas press organizations have also made a big fuss about it. What is it all about actually?

In 1989, a writer published a short story, "Hard Thin Gruel," in the No. 2 issue of ZHONGGUO ZUOJIA [CHINESE WRITERS] of that year.

More than two years later, the 1991 No. 7 issue of Tianjin's XIAOSHUO YUEBAO [STORIES MONTHLY] published the results of the "Fourth Hundred Flowers Awards (1989-1990)." What topped the list of prize-winning short stories was none other than "Hard Thin Gruel."

Following that, WENYI BAO carried a "letter to the editor" on 14 September 1991, in which Comrade Shen Ping [1957 1627] challenged the award to "Hard Thin

Gruel." In his letter, he gave a brief analysis of the story and remarked on some relevant commentaries, including a Taiwan journal's editorial note on the full-text reprint of this story. Finally, Comrade Shen Ping said: "Whatever the reason, it is obvious that 'Hard Thin Gruel's oblique attack and ridicule of the socialist reform in our country is politically unacceptable. Why did some journal dig out such a piece of work, commend it, and give it an award, when greater strides are being made to carry out the reform and opening up and to improve and develop socialism? Is this to protect the writer or do him harm? Is this to boost morale and promote prosperity, or to arouse devious enthusiasm? I hope the organizers of the award will think it over."

Can people, including Comrade Shen Ping, challenge the result of the XIAOSHUO YUEBAO award? Yes should be the answer, according to the party's "double-hundred" policy. If someone disagrees with Shen Ping, he is of course allowed to rebut the criticism: They can talk it over and try to find the truth together. Obviously, WENYI BAO's publication of Shen Ping's letter was nothing but a proper move in line with the "double-hundred" policy.

However, "A wind arises, rippling the water in the spring-touched pond." On 19 October 1991, WEN HUI BAO's affiliate DUSHU ZHOUBAO [STUDY WEEKLY] published a "special dispatch from Beijing" by a "staff reporter" entitled "'Hard Thin Gruel' Sets Off a Storm: Wang Meng Appeals to the Beijing Intermediate Court." The "special dispatch" said: "The famous writer Wang Meng has lodged a civil complaint with the Beijing Municipal Intermediate People's Court, charging WENYI BAO and Shen Ping with defamation." It turned out that the author of "Hard Thin Gruel" is none other than Comrade Wang Meng. When commenting on the short story in his letter, Shen Ping omitted the author's name. This may be because Shen Ping directed his objection mainly toward the award, if studied with Mencius's formula of inference, or because Shen Ping was looking at the work only for the purpose of "cherishing the writer," and then went further to criticize XIAOSHUO YUEBAO for "digging it out" and commending it after more than two years, for fear of "doing harm to the writer." If this analysis is roughly correct, it is completely understandable why Shen Ping omitted the author's name, and it would have been out of good intentions. But Comrade Wang Meng, rather than being grateful, lodged a petition, "charging WENYI BAO and Shen Ping with defamation." The "special dispatch" also told us: "This famous writer, member of the CPC Central Committee and former minister of culture, believes" that "WENYI BAO openly published and spread the rumors fabricated in Shen Ping's article," and that if their attempt succeeded, "political libel would become a means of blackmail that lawless persons could employ at any time to realize their selfish intentions." In this way, he put two sensational labels, "political libel" and "lawless persons," on "WENYI BAO and Shen Ping." Moreover, this "staff reporter" also announced:

"It is learned that Wang Meng's petition has been accepted by the Beijing Municipal Intermediate People's Court, and has aroused great concern among art and literature circles and the judicial sector."

In an abnormal course, this affair escalated from "awards" and "objection" to a "petition," which was then lavishly played up by some of the media. Many people started talking about it and speculation was spreading. The focus of public attention was the people's court.

Immediately afterward, DUSHU ZHOUBAO published a "special dispatch from Beijing dated 23 October" on 26 October. The "special dispatch" said: "Because of the illegibility of the telex, we mistook 'sends in a petition' for 'appeals,' and 'received' for 'accepted' in the relevant report carried in our last issue. This is a notice of a correction." It might be possible to accept a problem such as "illegibility of the telex," but to mistake "received" for "accepted" takes extreme "subjectiveness" and imagination. Such an error is indeed hard to understand. This "23 October special dispatch" also reported: "The ruling from the Beijing Municipal Intermediate People's Court issued to Wang Meng yesterday points out that WENYI BAO's publication of Shen Ping's article is a normal means of artistic and literary criticism. On those grounds, it refuses to accept Wang Meng's complaint and says if he decides to reject the ruling, he may appeal to a higher court. Wang Meng lodged the civil complaint with this court on 9 October."

As of this moment, Comrade Wang Meng may continue with his "legal action." But comrades in art and literature circles should calm down and ponder some issues. The trigger to the entire affair was that a journal gave an award to "Hard Thin Gruel." What, then, does this story say? How should we comment on it? Avoiding these questions and going into other issues means attending to trifles while neglecting the essentials. It is not wise to try and make people stop pondering and speaking on these essential questions by using such labels as "political libel" and "lawless persons." Now let us study and comment on the story, with those questions in mind, and with the view of seeking truth from facts.

II. The Story of "Hard Thin Gruel"

"Hard Thin Gruel," about 14,000 characters long, is written in the first person.

The story begins this way: "The formal members of my family comprise Grandpa, Grandma [both paternal], Father, Mother, Uncle [paternal], Auntie [Uncle's wife], myself, Wife, Cousin [female, on father's side], Cousin's Husband, and Son, my most beloved lanky boy. They ages respectively are 88, 84, 63, 64, 61, 57, 40, 40, and...16." There was an informal member, 59-year-old Sister Xu, who "had been taking care of our household affairs for 40 years." The entire family called her "Sister." "Ours had always been a stable life, one of unity. For example, Grandpa was always the one to decide whether or not the summer of that year was too

hot; whether we should have Longjing tea, eight yuan per liang or Qing tea, 0.4 yuan per liang; and whether we should use White Orchid toilet soap, or Violet, or Gold Shield." For decades, the whole family lived on gruel and pickled vegetables for breakfast, noodles in fried bean sauce for lunch, and rice for dinner. Grandpa even had the final say on whether to have the pork in threads or in flat slices in that half-vegetable, half-meat dinner dish. "Everybody, especially Grandpa, was happy about" this life. "The whole family, headed by Grandpa and Grandma, was the embodiment of the doctrine that contentment brings happiness, and was a faithful supporter of the existing system."

Things suddenly changed in those years, and new winds and new waves kept coming. "Grandpa was very open and liberal-minded. He assimilated new terms and new concepts from the newspapers he read after siestas, and from the radio and television programs he listened to or watched after dinner." Often, he would ask for our opinions: "Is there anything in our life that needs reform and improvement?" "Everybody said no." "The new winds blew ever stronger and the new waves grew ever more vigorous." "Therefore, Grandpa took the initiative to propose a change from the head-of-state system to a cabinet system. He was to make nominations, to be carried by the family plenum. The formal members would govern the family in rotation." "Father was the first to be placed in charge of household affairs, and it was decided after discussion that he would carry out a diet reform."

However, Father "asked Grandpa for advice on everything." This brought more trouble: "Sister Xu would ask Father about something. Father could not make a decision on his own, so he would go and ask Grandpa. He would then pass on Grandpa's words to Sister Xu, constantly referring to Grandpa. This caused more inconvenience than if Sister Xu were to ask Grandpa directly." Furthermore, Father gradually got into the habit of flaunting Grandpa's banner when he was saying or doing something. The rest of the family then started to exchange whispered comments. Grandpa, becoming aware of the situation, helped Father to see that "transferring power to lower levels is a general trend," whereupon Father transferred the authority for the "great cause of cooking" to Sister Xu. After she assumed power, Sister Xu not only made sure that "everything stayed put," but also set aside part of the funds for meals so that she could use "the money saved from our meals to buy some ginseng royal jelly for Grandpa, which meant tightening our belts so that she could pledge her loyalty to Grandpa." This finally led Son to challenge her: "Enough of your low-standard meals! ...Starting from tomorrow, I will take charge, and I will allow everybody to lead a modern life!" Talking volubly, Son called gruel and pickled vegetables "the root of the ultrastability, underdevelopment, and zero progress of our feudal society" and said that it was necessary to "eradicate gruel and pickled vegetables thoroughly." Cousin took exception to his view. Grandpa said: "All right, all right. The

general orientation is the same. Now you stop arguing." So "everybody stopped arguing." Son therefore assumed power.

Sure enough, the next day, Son put in front of us "butter bread tender omelet milk coffee [no punctuation as published]." But three days later, the whole family was suffering various kinds of intestinal and stomach disorders, and the money spent on the food over those three days would normally have lasted a month. Thereupon, "I consulted Father and Uncle, proposing immediate removal of Son's power and normalization of family life!" Father and Uncle could do nothing but seek advice from Grandpa. Grandpa "called a plenum, making it clear that being old and infirm, he had no ready ideas about what to eat, how to eat, or any other relevant issues, and had no intention whatsoever to monopolize power." Grandpa announced: "One can eat whatever one likes to eat." After looking at each other in blank dismay, we decided to split into five groups, each making meals independently. Cousin said: "This is only modern! Four generations having meals together is too much like what happened during the age of the Dream of Red Mansions."

Two days after this split, things were again not working. Grandpa was in Cousin's group. "They, taking advantage of Grandpa's seniority and prestige, always occupied the stove, and the rest could only bemoan their helplessness." Giving each group a stove was not feasible, as fuel was rationed by the state and not to be increased. Besides, it now took only nine days to finish one cylinder of gas which used to last at least 25 days. "Everybody was panicking and sighing." "They had neither the nerve nor the heart to bother Grandpa again, so they all went to Cousin's Husband as if by prior agreement." Cousin's Husband was the only one in the family who had drunk foreign water. At this point, he "opened his heart and showed the real stuff." He said: "In my opinion, the fundamental question in our family is one of the system.... The question is who is the one to decide, and through what procedures is this person to make decisions, the content of meals. Should it be a feudal patriarchal system? Pecking order by seniority? Anarchism? Following caprice, that is, eating whatever one feels like making? ...The crux of the matter is democracy. Without democracy, one does not feel well even if one eats well...." Everybody "suddenly felt enlightened and kept nodding wisely." He continued: "A pecking order by seniority is, after all, a workable order in a backwater agrarian society. This order is especially suitable for illiterates and idiots.... It smothers competition, ...suppresses new rising forces." Modestly, I asked him: "What should we do, then?" He said: "To carry forward democracy: Elections! Democratic elections, this is the key.... Let's have an election campaign!" Father took a stand, saying: "Okay, I agree. But we have two gates to go through: One is Grandpa, to see whether or not he agrees, and the other is Sister Xu...." After discussion, they decided that Grandpa "had the newest mind" and had long been fed up with taking charge of

meals. The trouble would be with Sister Xu. Although she did not belong to this family, "there was absolutely nothing we could do if she was not convinced by about any of our plans." They were all at the end of their rope. A few days later, "Uncle stood up and said that the two gates are actually one. Stubborn as Sister Xu is, she listens to Grandpa on every matter. If Grandpa agrees, she will agree too." Everybody saw the light all of a sudden and made Father and Uncle their representatives. Sure enough, the plan got through after initial negotiations. Then by general acclaim, they recommended Cousin's Husband to chair the democratic election.

Election day came at last in a sparkling festive atmosphere. Cousin's Husband first asked each candidate to deliver a speech under the title "How I Will Run the House." Unexpectedly, however, "there was no response and silence prevailed." Even Cousin's Husband himself played no part in the election campaign. Therefore, "we all, disheartened, gazed at each other in speechless despair and thought to ourselves, as if by prior agreement: Isn't it the idea of a good-for-nothing to have an election campaign in order to have someone take care of our household affairs? Boasting about oneself, as if peddling quack medicine, disregarding seniors and superiors, and offending the neighbors. There's no way that we will fall into such a trap!" Nevertheless, "after all, one has to have some democracy and an election since they had been planned." The election thus went ahead. Five blank ballots were collected from the 11 distributed, while two votes went to Sister Xu, three to Grandpa, and one to Son. Cousin said that since Grandpa received the most votes, he should naturally be the one. But "Grandpa did not consent. He said the question of making meals is actually a technical issue, not an ideological or conceptual issue.... Therefore, we should not be electing a leader, but selecting the best cook." Son hailed this remark and "everybody else also felt a substantial new line of thinking and that there was a new breakthrough."

After 30 days and 30 evenings of study and discussion, until the whole family was "unable to breathe or pass water or walk because of extreme fatigue," they decided on an appraisal and selection procedure. "Finally, at long last, a conclusion was reached on the appraisal of culinary art." The result was, "with everybody convinced": Grandpa and Grandma were rated Class One, Grade One; Father, Mother, Uncle, and Auntie were rated Class Two, Grade One; I, Wife, Cousin, and Cousin's Husband were rated Class One, Grade Two; and Son alone was rated Class One, Grade Three. Son also got a "Special Honorary Star of Hope [indicating promise for the future] Prize." But this did not add anything to his Grade Three status. "In a word, theories, terms, and methods are frequently renewed, but the order is eternal."

"Many days went by. Vaguely, people became aware that since the order is eternal, the research, discussion, and experimentation on theories, terms, and methods would

naturally cool down. Making and eating meals ceased to be a cause of disputes and excitement. We now ceased to be bothered on whether making and eating meals was a technical issue, a systems issue, a cultural issue, a problem concerning concepts, or something that nobody had ever thought of before."

Sister Xu passed away, without illness; Son joined a Sino-foreign joint venture; Uncle and Auntie moved into an apartment; Cousin's Husband went abroad to pursue further studies, and later took Cousin abroad as well. What they want to eat or what they often eat is still gruel and pickled vegetables. I live with Father and Grandpa. The consumption of chicken, duck, fish, meat, eggs, milk, sugar, and oil has been increasing, but "gruel and pickled vegetables are still unalienable key components of our diet, and the rest is only supplementary." "Before each meal, Mother, as usual, would ask Grandpa and Grandma: 'What about soup? Shall I make one? No? What about the meat? In threads or in slices?' ...her tone being tactful and pleasant. And Grandpa's tone? It is kindly but forceful. Even if he says 'don't ask me' in reply, it is nevertheless still an answer." When the meal is ready, everybody is summoned to eat. Mother, on tenterhooks, will "try to feel [chuai mo 2260 2307]" (as written in the original, though it should be "try to figure out [chuai mo 2260 2302]") Grandpa's facial expression....

III. How To Look at and Appraise "Hard Thin Gruel"

Comrade Wang Meng wrote a preface for the English and German editions of his works, which was published by RENMIN WENXUE [PEOPLE'S LITERATURE] in its 1989 No. 5 issue under the title of "The Forgotten Charm." Some remarks in this article merit our attention. He said: "Now I am still writing, for the free galloping of the soul... also to make those commentators unable to catch up—always making contradictory judgments afterward... One of my novels is named after a butterfly. I feel proud of myself, because as a novelist, I am just like a big butterfly. When you cover my head with something, you still cannot cover my waist. When you catch my legs, you still cannot catch my wings. You will never understand who Wang Meng is, as clearly as myself." If that were the case, it would be a tragedy for literary commentators. But sometimes, he did have some reason to feel "proud" of himself. For example, in the 1991 No. 7 issue of XIAOSHUO YUEBAO, a commentator wrote: "Wang Meng's 'Hard Thin Gruel' can be called psychological fiction or a fable, but in narrative method, it is an out-and-out realistic short story. The author depicts the disturbances arising from the reform of breakfast in a family... The attitude toward 'thin gruel' can be regarded as an attitude toward all kinds of people in society. After reading it, the reader may draw different conclusions from different angles. He may understand it as a criticism of the all-round Westernization viewpoint, as an understanding or comprehension of those who keep to the old standards, or as an apprehensiveness toward the hardships in China's transformation... The reason we say it is a fable is that there is little change or

development in the personalities of the various characters in this story, and their images are not perfect and complete. They are more like symbols and marks..." Such comments are indeed full of "contradictory judgments." There is a mixture of psychological attitude, fable, and realism, and a mixture of criticism of all-round Westernization, understanding or comprehension of those who keep to the old standards, and apprehensiveness toward the hardships in transformation. It is true that when the head is covered by something, it is hard to cover the waist, and when the legs are caught, it is hard to catch the wings. But what on earth is the "Hard Thin Gruel"? It still remains a question. Naturally, the "big butterfly" has every reason to feel proud.

However, if one says that a big butterfly cannot be caught because it is too big, one is just saying something foolish. Therefore, it is possible for us to correctly understand, appraise, and comment on the short story "Hard Thin Gruel." Of course, to this end, we must make a realistic and concrete analysis of the story and endeavor to use the Marxist stand, viewpoint, and method to make scientific, or relatively scientific, judgments in light of the literary characteristics. This will eventually be achieved through contention and consultation in commentary circles.

In other words, studying and finding a way to understand the characters in the story and their special characteristics is the foundation for our comments. Then what is this story all about? The above-mentioned commentator said: "The author depicts the disturbances arising from the reform of breakfast in a family." Shen Ping summed it up as: "It depicts a big family in which four generations are living under the same roof. They are carrying out 'reform' of the 'family affairs' structure and promoting 'food reform.' In fact, it is just a matter of varying the breakfast of 'thin gruel and pickles.'" Of course, these remarks are not complete. The following explanation should be added: The "reform" finally ends in failure and all of the family members have become indifferent toward it because they find that they have been fooled. The characters, plot, and theme of the story develop along this course, and its imagery and ideological content are also displayed in this course.

Thus, we can see that "Hard Thin Gruel" has three ideological and artistic characteristics. First, there is a strong contrast between the theme and the subject matter. The materials used by the author are just ordinary and trivial things such as varying breakfast in a family, gruel, and pickles, which are easy and trivial matters. They cannot make people "unable to breathe or pass water or walk." However, in an attempt to control the "new tide and new trend," the author purposely stirs up "waves in a cup" and refers to all those tiny things as "structural reform," which has something to do with "power" and "order." The theme seems too big, too mysterious, and too heavy. Because of this big contrast, the more serious the theme is, the more ridiculous the story becomes. All these form a bitter irony and burning satire on the "reform."

Second, there is the contrast and coordination between the family farce and the tragedy of "reform." In this short story, the "reform of family affairs" is described entirely as farce and tragedy. Originally, "ours had always been a steady life, one of unity," but after "reform" began, the entire family could not get along peacefully. To enhance the effect of the farce and tragedy, the author does his utmost to exaggerate certain matters. For example, the so-called matter of having bread and milk is originally nothing profound. But after it is included in the "reform," the author tries to make it as tragic and farcical as possible. He writes: "The following day, after great effort, Son finally prepared butter bread tender omelet milk coffee [no punctuation as published] for breakfast. Sister Xu and Grandma did not drink milk or coffee. Uncle told them to fry some onions, Chinese prickly ash, Chinese cinnamon, herbs, sliced ginger, white pepper, laver, and dry red pepper in hot oil for a little while, and then add Guangdong-style soy sauce to it. Then, put this mixed gravy into the milk and coffee to reduce the Western stinking smell. I had a taste of it and found it was really acceptable. I also wanted to add some gravy. But when I found that Son was glaring at me with fierce eyes, like those of a murderer, I gave up wanting that taste and forced myself to take the stinking Western hot drink." After having bread and milk for breakfast for three days, serious disasters occurred: "Sister Xu was suffering from gastroenteritis poisoning. She was taken to a hospital, and the doctors suspected that she was also suffering from gastric cancer. Grandma was suffering from neurotic liver cirrhosis, which belonged to neither Category A nor Category B. After starting to take Western food, Grandpa had been suffering from constipation. Father and Uncle were looking after him in turn. They used bamboo chopsticks to help him but had very little success. Cousin suffered great pain from intestinal obstruction and received emergency surgery. Cousin's Husband suffered from serious toothaches and there were ulcers at both corners of his mouth. Wife often threw up after meals..." Sometimes, the author adds some comic material to the family farce to enhance its tragic effect through contrast. For example, when writing about the election, he creates a "festive atmosphere" at first: "They did general cleaning. Windows were cleaned, posters and paintings were put up, and new plastic and silk flowers were put in the vases... Cousin's Husband put on the gray Western coat which he wore during his visit to Europe and the United States, together with a black bow tie, looking like the conductor of a symphony orchestra. He would preside over that magnificent ceremony." However, after the election started, "there was no response. It was so quiet that one could even hear the flies buzzing in the kitchen." All felt "disheartened." Without prior consultation, they were all thinking: "What the hell is this democratic election all about! For decades without democratic election, we had our gruel, pickles, and fried bean sauce noodles all right! For decades without democratic elections, we did not starve to death, eat ourselves to death, munch bricks, drink dog pee, get noodles in our nostrils or ass holes, or

anything like that. Democracy—the idea of a good-for-nothing! Everybody will end up dead from loose bowels or hunger! This is what Chinese people are all about: They never leave themselves in peace until they become dropsical from self-torture.” The essence of this “reform of family affairs,” which is characterized by disorder and “self-torture,” is thus made clearer by exaggeration, mixed with farce and tragedy.

Third, symbolization of character, stylization of plot, and politicization of theme endow the work with strong political sense. The above-mentioned commentator said that in “Hard Thin Gruel,” “there is little change or development in the personalities of the characters, whose images are not complete and perfect.” In fact, this is acceptable for most short stories. It is also a characteristic of short stories. But this will not necessarily bring about symbolization of character. The surface reason for symbolization of character in this story is to make the characters abstract. But a deeper reason is to use the images to explain the political theme. Obviously, the various characters in the story are created according to certain concepts, and they represent and symbolize certain people. For example, the ages of the 11 family members “were in an ideal ladder structure: 88, 84, 63, 64, 61, 57, 40, 40... and 16.” Two old people are above 80, four are about 60, and there is no one between 20 and 30. But according to the story, “this ladder structure was an ideal one.” Why does the author say that it is an “ideal” structure? At the very beginning, the author throws this question to his reader, with bitter irony. The informal family member, Sister Xu, “had been taking care of our household affairs for 40 years.” In the story, Sister Xu is repeatedly connected with 40 years. It is said: “In our family, the meals have never been changed for 40 years.” “You have been cooking in our family for 40 years. Your achievements are the main aspect. No one can deny it.” The reader will naturally regard Sister Xu as the symbol of a particular 40 years. Except for Sister Xu, who has a surname, other characters in this story are only referred to according to their positions in the family hierarchy. We do not know what they wear or what their hobbies, habits, or personalities are. They are there only to fill those positions. They are no more than the symbols of those positions. Indeed, such characters do not have any vitality. They are abstract souls created by the author according to certain concepts and bodies dispatched willfully by the author. That is why the characters do not really act and cannot form real plots in the story. They can do nothing but obey the author. When told to hold a meeting, they hold a meeting; when told to argue, they argue; when told to be sick, they are all sick; and when told to be disheartened, they are disheartened. Entirely following the author’s arrangements and patterns, they blindly cherish hopes, torture themselves, raise a hue and cry, create disturbances, and then suffer defeat and come to a tragic end. They repeat and repeat and finally become quiet and lead a “happy” life as before. It seems there are many people and complicated plots in this story, but actually they are all touched on lightly. Prominence is only given to the “freely galloping

soul” of the author, in a hurdle and cross-country political race which is full of satire and criticism. Shen Ping said that for small matters such as “gruel and pickles,” the story “uses all kinds of big political phrases and words.” This is true. It is by no means a “fabrication” or a “rumor.” In fact, the phrases used in the story, such as “head-of-state system,” “cabinet system,” “right persons for the cabinet,” “nonvoting delegates,” “rule in turn,” “food reform,” “the great cause of cooking,” “having both position and power,” “power means corruption,” and so forth, are all big political phrases unsuitable for “gruel and pickles.” Moreover, in this story we can see everywhere short and concentrated, or long and extensive, political comments. The comments made by Cousin’s Husband on structure and democracy are a typical example. Another example is: When Grandpa wins only three votes during the election, which is less than half, or one-third, of the votes, “Cousin said that since Grandpa had won the most votes, he should naturally be elected. This was, by no means, a feudal patriarchal ideology, but a modern concept of democracy. Cousin continued: In our family, the feudal patriarchal ideology no longer exists. It is not the main danger, or the primary contradiction. What we should maintain vigilance against are anarchism under the pretext of opposing feudalism, liberalism, self-centeredness, solipsism, the doctrine of unduly high levels of spending, hedonism, the doctrine advocating that the moon over the United States is rounder than that over China, and Western-style dogmatism.” In the circumstances of the story, Cousin’s political comments undoubtedly become the target of criticism and exposure, which are aimed at giving prominence to the political theme of the story. Another passage of political comment is: “Theories and methods are often changed, but the order is eternal.” “Since the order is eternal, discussion and experiment on theories and methods will naturally lower their temperature.” This is the main idea of the story. We may say that the whole story is derived and developed from this idea.

Judging from the above-mentioned three characteristics, we have every reason to say that “Hard Thin Gruel” is a satirical political story depicting the course of a “reform of family affairs,” from rise to failure. Why then was “reform” so unsuccessful that it was even unable to “reform” the breakfast of “gruel and pickles,” and finally ended in failure? According to the story, the problem lay mainly with Grandpa, who was the initiator and propeller of the “reform.” Forced by the constantly emerging new trends and new styles, he started the “reform” to suit the new situation and absorbed some new concepts and phrases from newspapers and broadcasts. The “reform” he pushed forward was no more than a “food reform.” In fact, he “had no prejudice” toward “what to eat, how to eat, and other related matters.” Therefore, when Son failed in his Western food reform, he “went to see Father and Uncle.” “Father and Uncle could do nothing but ask instructions from Grandpa, and the latter went to see Sister Xu.” But Sister Xu was in the hospital and could not help.

Grandpa returned and said: "As you came to ask me for help, I went to see Sister Xu. But she had been discouraged by your complaints. In addition, after taking the Western meal prepared by Grandchildren, she was suffering intestinal and stomach disorders. Thus, I am unable to manage such affairs. Anyone can eat whatever he likes. I would rather die if I have nothing to eat." Grandpa was so incompetent, but he still did not want to "give up his power" and was still exercising control over the current "reform." "Nominated by Grandpa," Father was in charge of family affairs. Also urged by him, Father delegated his power to Sister Xu. Approved by Grandpa, Son began to prepare Western food. Having meals separately was caused by the same old man. Later, when the election campaign suffered setbacks, the mess was cleared up and new trains of thought were found also by Grandpa. Therefore, he was unable to lay the blame on others when failure occurred in the "reform," which was conducted by him directly or behind the scenes and in which theories and methods were often changed but the order was eternal. How could such a Grandpa always be in the "power" center? The problem lay with the family, in which four generations of people were living under the same roof and the hierarchical system was practiced. The problem lay in the feudal patriarchal system and ideology. Because a pecking order by seniority had been established in this family, Grandpa was always in the position of a feudal patriarch. On the other hand, in his position, Grandpa was trying to maintain the pecking order of the family. Thus, this order became the main target of criticism in this story. Cousin's Husband, a "real talent" who "enlightened" everyone, said: "Order by seniority is, after all, order for a stagnant agrarian society, especially suitable for illiterates and idiots. Even those who are congenitally retarded can understand and accept this inflexible and unchangeable, or, I would say, this rigid order." As a matter of fact, most of the people appearing in this story are "illiterates," "idiots," and "congenitally retarded people." Having brought a tape recorder home, they "emulated the mewing of a cat," recorded it, and played it back to amuse everyone. Cousin's Husband also said: The pecking order by seniority "has strangled competition, together with man's initiative, creativity, and variability. Without variation, there would be no human beings. Without variation, we would still be monkeys. Moreover, the newly emerging forces are also suppressed by this order. Men are most energetic, most active in thinking, and most enthusiastic in pursuing ideals before the age of 40. In this period, however, they are pushed down and oppressed at the bottom..." Son sighed: "That is absolutely right!" He was so excited that his eyes were filled with tears. Then came the election. The Son also won a vote, which was really valuable. It made him able to "shout," "saying that the fact he had won a vote showed that people's will had not died and the flames had not been stamped out. Instead they would be raging more fiercely." He also said: "Although there is order in our family, there is no love. Order without love is just like marriage without love. It is immoral." Eventually, the names in the order of the results of the cooking contest

made them understand that "reform" was nothing but a kind of torture and hoodwinking. Thereupon, the "reform" ended.

We have now finished our examination of this novel. How, then, should we assess it? Should we merely regard it as a form of experiment? Or a recreational work? Or a dream of the writer? Or a relieving of the bowels after holding back for some time? Perhaps "these questions are all reasonable, but also not satisfactory." If explanations are given in light of these formulations, "you will never know who Wang Meng is." Nevertheless, Comrade Wang Meng has pointed out where we have gone astray from the right path. He delivered a speech entitled "Show Concern for Reform and Literature" at the opening ceremony of the Third Session of the Fourth Council of the Chinese Writers' Association. In the speech, carried in WENYI BAO on 26 November 1988, he said: "It does not matter whether our works are directly related to reform. Perhaps the themes of our works have nothing to do with reform. Fairy tales, love poems, and historical novels cannot in the slightest degree rule out our real attitude toward the ongoing reform, which will influence social public opinion through our works or other channels." I very much agree with Comrade Wang Meng. Of course we are justified in applying this opinion to examine the real attitude of the writer toward reform as reflected in "Hard Thin Gruel" and the influence of this novel on social public opinion.

In other words, the author wants to give us some opinions on reform through "Hard Thin Gruel," that is, there is a "reform" in the novel which causes suffering, fools others, and should be mocked and criticized. It does not merit any attention and is doomed to failure. Although the "reform" is fictitious, it has certain connections and relations with actual reform. What, then, are the connections and relations? Fundamentally speaking, literature is the reflection of life. Naturally, such reflection is dynamic and not negative. It includes the author's appraisal of life as well as certain artistic exaggerations or changes. Moreover, a satirical novel has its unique features in reflecting life. Its artistic exaggeration or changes are stronger, usually constituting or applying symbolism, metaphor, simile, insinuation, and other artistic means. Furthermore, a satirical novel of a particular writer also has its unique features, which are specifically manifested in the writer's unique artistic method and style, as well as in the special connections and relations between the writer's artistic creation and real life. When analyzing the connections and relations between a satirical novel of a particular writer and real life, we can usually gain important enlightenment from the features of his similar satirical novels. Hence, Comrade Wang Meng's remarks can serve as our key to understanding the connections between "Hard Thin Gruel" and real life. In his "Reading Notes on Theory, Life, and Discipline Research," (DUSHU [READING], Nos. 11 and 12, 1986), Wang said: "A few years ago, I wrote a short novel on a soft drinks production conference held in a certain locality. Those attending

were talking about improving the production and supply of beer, soda, plum juice, and fruit juice. At that moment, an elderly man spoke out sternly: The source and essence of all beverages and the most important and popular drink of all beverages is water. Without water, discussion of beer and fruit juice will deviate from the general orientation, go astray, and barter the trunk for the branches. The novel is full of preposterous remarks and bitter tears. The short novel seemed 'absurd,' but it was the unchanged epitome of the controversies in academic and theoretical circles for a period of time in the past." He frankly disclosed the most important creation pattern in his satirical novels. As a matter of fact, "Hard Thin Gruel" is precisely this kind of novel, which "seems absurd, but is the unchanged epitome of a period in the past." In short, its relation with reality is a kind of "epitome" relationship. Although it "seems absurd" in writing, and contains "preposterous remarks and bitter tears," in essence it reflects, "epitomizes," criticizes, and mocks reality. This is the real, profound reason why the critic regarded "Hard Thin Gruel" as "an out-and-out realistic novel" and "psychological novel," believing that "the attitudes toward 'thin gruel' portrayed the psychology of all kinds of people in society at that time." Thus it can be seen that the "reform" invented, criticized, and mocked in "Hard Thin Gruel" is used to "epitomize" the real reform of "a period in the past." It is the "epitome" of the real reform of "a period in the past." In other words, "Hard Thin Gruel" regards the real reform of "a period in the past" as farce, tragedy, and distress." Undoubtedly, this is a great distortion of reform. For this reason, Comrade Shen Ping said in criticism: "In light of the implied meaning of the novel, it is not merely talking about the 'difficulties in China's transformation,' but saying that there is no hope for China's reform and that even 'reform' of a breakfast of 'gruel and pickles' is impossible." It should be noted that the criticism is pertinent and accords with the basic attitude of the novel toward reform of "a period in the past."

We can also say that the novel calls for and supports certain "reforms." Specifically speaking, it is against the so-called "study and practice of theoretical terms" of "a certain period in the past," regards it as "renewing the theoretical terms while keeping the order unchanged" and as a reform which causes "suffering." However, it supports and calls for a "reform" of the "conservation order," namely, a "reform" of the "inflexible," "static," "rigid," "loveless," and "immoral" order which "obeys the orders of the grandfather and keeps old practices unchanged for 40 years," which is "a feudal patriarchal system which arranges the ranks of the leadership on the basis of seniority," and which is a "stagnant agricultural society particularly suited to illiterates and idiots" and can be understood and accepted by the "congenitally mentally retarded." To carry out the "reform" requested and supported by the novel, Grandpa must genuinely let the subordinates "have a free hand" rather than give the answer "don't ask me." At the same time, Sister Xu should also "step down from the stage of history of her

own accord" and allow those who are "in their prime of life, active in thinking, and enthusiastic" to "develop democracy," "take part in competition," "engage in creation," "devote themselves," "and" "preside over the grand occasion"... Naturally, it is unnecessary to check one by one who "Grandpa" and others allude to, because the novel is allowed to have a vague nature, which covers more than precise description, so that it looks fuzzy but nothing is missing. In any case, the novel clearly shows its "real attitude toward the state's reform" and its influence on "social public opinion." Shen Ping points out that a tiny handful of people who clung to bourgeois liberalization advocated a fundamental reform of the system during the winter of 1988 and spring of 1989. The media in Taiwan and Hong Kong also clamored that "the veteran leaders should retire now." This was the "social public opinion" at that time, based on facts. It was not "fabricated" by Shen Ping. Regarding such "social public opinion," does not "Hard Thin Gruel" objectively support and echo that "public opinion," irrespective of the subjective desire of the writer?

It should be noted that writers are allowed to criticize the shortcomings or defects of reform. If they make mistakes in criticism, they can correct the mistakes through criticism and self-criticism and deepen their understanding. A work like "Hard Thin Gruel," which makes insinuations about and ridicules socialist reform, is not recommendable politically. In consideration of the complicated reasons leading to these mistakes, the literature and art criticism circles have taken a magnanimous attitude toward the novel, expecting the author to draw a lesson and deepen understanding by himself. Under such circumstances, however, XIAOSHUO YUEBAO awarded the novel. Is this not "harmful to the writer" as Comrade Shen Ping said? When Shen Ping's letter was published in WENYI BAO, the author charged WENYI BAO and Shen Ping with being "lawless elements" and accused them of practicing "political libel." It is indeed distressing to see such a "famous writer" lacking the spirit of self-criticism and glossing over his faults in the face of iron facts and on the major principle issues. People who care for writers and literature will not like to see this happen. However, when things have developed to such a state, it is necessary to earnestly resort to normal literary and artistic criticism, and organize related personalities to frankly exchange views, and negotiate with our "renowned writer" to seek common understanding on the issue of XIAOSHUO YUEBAO conferring a prize on the novel "Hard Thin Gruel." At the same time, I would like to solemnly make the following statement: As a piece of literary and artistic criticism, this article is simply an individual's view, and countercriticism is welcomed. Here, "a remarkable work should be shared and its subtleties discussed." I hope readers will join in the discussion to push forward the prosperity and development of socialist literature and art with our joint efforts.

Military

Lei Feng Campaign To Train Soldiers Lauded

OW2602075392 Beijing XINHUA Domestic Service
in Chinese 0316 GMT 25 Feb 92

[By reporter Xu Jingyue (1776 0079 6460)]

[Text] Beijing, 25 February (XINHUA)—In-depth and persistent activities launched by People's Liberation Army [PLA] troops to emulate Lei Feng, and efforts by the broad ranks of commanders and fighters to follow Lei Feng's example, have produced a constant stream of revolutionary soldiers possessing the "four qualities"—ideals, moral integrity, general knowledge, and discipline—in military barracks.

Information provided by the relevant departments under the PLA's General Political Department indicate that in recent years, large numbers of cadres, fighters, and units from various troops in the armed forces have joined the ranks of learn-from-Lei Feng advanced individuals and collectives. This has led to an encouraging development in which there are pacesetters in every sector and models on every level. Since 1991, 585 advanced models have been commended by high-level leading authorities at or above the levels of military regions and armed services. Moreover, 13,000 advanced models have been commended by units at or above the divisional level. The deeds of advanced individuals—such as Li Runhu, Zhang Qi, and Li Zhijun, who are among "the Nation's 10 Outstanding Youths;" "Zhang Zixiang, who is named "Living Lei Feng in the New Era;" "Model Regimental Commander" Jia Junqing; and Yue Xicui, have been disseminated within and outside the armed forces. These individuals have become role models for the youth of today. A huge number of revolutionary soldiers possessing the "four qualities" on the military, political, logistic, and scientific and technological fronts in the armed forces have successfully promoted army building by studying and practicing Lei Feng spirit on the job. In particular, many advanced individuals and units—such as Zhou Liping, Zhang Yongbao, the 2d Battalion of a certain pontoon bridge regiment, the secret service company of a certain pontoon bridge brigade, and the 3d Company of a certain artillery brigade—came to the fore in flood control and relief operations in 1991.

During the 1990's, a leading comrade of the Central Military Commission called for enthusiastically emulating and promoting the Lei Feng spirit and for cultivating politically reliable revolutionary soldiers possessing the "four qualities." Various military units have conducted an earnest study of the guidelines of this important directive, closely linking those guidelines with practice, unified thinking, and improved understanding. They have focused their learn-from-Lei Feng activities on basic tasks—strengthening the military's political structure, ensuring troop loyalty toward the party, the

people, and the socialist motherland, and training qualified personnel for the four modernizations—and have worked energetically to pursue those activities. A significant number of units have combined learn-from-Lei Feng activities with efforts to enhance socialist convictions, with education on strengthening the party's absolute leadership over the military, and with activities aimed at promoting meritorious feats on the job. They have helped the vast numbers of commanders and fighters gain a profound understanding of the essence of the Lei Feng spirit, helped define the focus and direction of learn-from-Lei Feng activities during a new historical period, and carried out such activities more strenuously and thoroughly.

In promoting the Lei Feng spirit and in nurturing revolutionary soldiers possessing the "four qualities," various troops in the armed forces have paid particular attention to guiding cadres and fighters to enhance their theoretical studies and to improving their political theoretical levels. In the past two years, the general political department and various major units in the armed forces have delivered over 2 million books on Lei Feng and on theoretical affairs. Reading, speech-making, and quiz activities have been vigorously launched in military barracks. Communist Youth League [CYL] organizations in the Guangzhou Military Region alone have sponsored over 3,000 reading and speech-making sessions. Various military units have moved spontaneously to form tens of thousands of groups to promote learning from Lei Feng and studying theoretical issues, launched extracurricular activities, and exchanged their learning experiences. Some have even conducted education on "Lei Feng's life philosophy" to enable cadres and fighters to gain a profound understanding of the theoretical merit of the Lei Feng Spirit from perspectives pegged to the goals, attitudes, and values of life. This is designed to encourage cadres and fighters to apply themselves more conscientiously to the study of revolutionary theory.

Various military units have provided guidance to cadres and fighters in striving to foster a revolutionary outlook on life by closely linking theory with practical thought. Starting by helping cadres and fighters solve the fundamental problem of "defining their military allegiance and personal codes of conduct," various units have conducted learn-from-Lei Feng activities and exhibited the Lei Feng spirit in answering and resolving problems that troops encounter while serving in the military—problems associated with personal ideals, personal prospects, personal feelings, the births and deaths of one's relatives, honor and disgrace, promotions on the job, demobilization and discharge, admission into the party and the CYL, meritorious services and rewards, and cadre qualification examinations. Quite a few units have even held "discussions on "Lei Feng's Views on the Values of Life," "Discourse on Life Between Lei Feng and Me," and "How To Make One's Youthful Years More Beautiful." They have helped new recruits study and implement the Lei Feng spirit steadily, turning them

gradually into revolutionary soldiers possessing the "four qualities" as did Lei Feng.

Paper Comments on Civilian Training for Soldiers

HK0203023092 Beijing JIEFANGJUN BAO in Chinese
13 Feb 92 p 1

["Commentary" by Zhong Zhengxuan (6988 2973 6513): "All-Army Work To Train People Competent for Military and Civilian Services Progresses Steadily"]

[Text] In recent years, all Army units have resolutely carried out the principle of "keeping the correct orientation, improving training methods, and adjusting training contents" laid down by the Central Military Commission for work to train competent people for military and civilian services and has achieved marked results. The principle of stressing military training has been fully implemented; the content of training has been better adapted to the actual needs of the Army and society; and the scale and forms of training have been better suited to the capacity of various units and have been gradually regularized. Over the past four years, more than 1.2 million soldiers throughout the Army received training of all types, and some 1 million demobilized soldiers with civilian skills were employed by various civilian institutions.

The work of training soldiers competent for both military and civilian services has been obviously fruitful because the principles laid down by the Central Military Commission were correctly understood and sufficient attention was paid to this work. After the Central Military Commission laid down the principles, the three general departments jointly issued a "Circular on Further Improving the Work of Training People Competent for Military and Civilian Service." After that, leading comrades of the Central Military Commission and the three general departments continued to give instructions on improving this work and spreading the experience of some advanced units, including that of the group army. To ensure the correct and smooth implementation of the principles laid down by the Central Military Commission, various units adopted diverse forms to make it clear to the officers and men that one must not neglect the necessity of improvement and adjustment because great achievements have been made in the work to train people competent for both military and civilian service and neither must we neglect the maintenance of correct orientation when stressing the needs of adjustment and improvement. Through reviewing the positive role of such double-purpose training in promoting both army building and economic development in society and analyzing the existing problems of practical work, many units have realized more clearly that double-purpose training is an organic part of the Army's comprehensive development and a necessary measure for ensuring that soldiers will work contentedly during their period of enlistment and for keeping close ties between officers and men. So it must be put in a proper position in the

overall arrangement of the Army's work. In their practical work, many units included courses about civilian skills and technical know-how in the overall training curriculum by formulating unified training plans, organizing well-coordinated implementation of these plans, and conducting unified examinations and assessments. This thus properly solved the contradiction between civilian technical training and other work in the distribution of time, grounds, facilities, and other resources, and the two sides could promote each other and develop harmoniously.

Another major reason for the stable development of the double-purpose training was that stress was laid on the key points and action was taken according to the capacity of each unit. The military units have changed their previous practice of giving training to all soldiers, and mainly gave civilian training courses to soldiers recruited from rural areas where their military skills would not be useful in their civilian jobs after completing their active military service. For other soldiers, different civilian training courses were given according to their different personal circumstances. For example, for soldiers who have mastered skills that are useful in both military and civilian services, training is focused on items that will make them more competent at their current posts; soldiers who did not graduate from primary school are given courses of elementary education; and the secondary school curriculum is designed for soldiers recruited from cities and backbone soldiers who plan to sit the entrance exams for various military academies. To further arouse soldiers' enthusiasm for military training, many units stipulated that those who did not pass tests in military training would not be entitled to take civilian training courses and that those who achieved remarkable results in military training or rendered meritorious service and won honors in military service will be allowed to take civilian training courses ahead of others. In recent years, old soldiers accounted for about 70 percent of those receiving civilian training courses each year. Although the total number of trainees in civilian courses decreased slightly, the quality of training was raised. More than 60 percent of the soldiers taking such training obtained technician diplomas.

The guiding principle of proceeding from reality and aiming at solid results made the training contents better suited to the actual needs of military construction and socioeconomic development. This was another major reason for the stable development of the work of training people competent for military and civilian services in the Army. All units of the Army adhered to the principle of "being realistic, practical, and aiming at solid results" and gave consideration to the actual conditions and needs of society as well as the soldiers' educational background and their wish to master useful skills in the course of making substantial adjustments to the content of training. First, they proceeded from the needs of military units and stressed military training and the mastery of skills useful in both military and civilian services. Most units arranged courses such as book-keeping, cooking, the processing of farm products, and

writing news reports. They encouraged soldiers to master useful skills through fulfilling their military tasks. Thus, the double-purpose training also achieved better results in promoting the comprehensive development of the Army's work. Second, equal importance was attached to intellectual training and technical training. More practical training projects were included in the curriculum so that training expenses could be reduced and difficulties in organizing such training could also be reduced. In addition, the adaptability of the soldiers to join economic construction after their demobilization was also increased.

The fourth major reason for the stable and fruitful development of the Army's double-purpose training was the adoption of more flexible and diverse forms of training according to the actual conditions of various units which brought their advantages into full use. Many units combined long-term routine training with short-term intensive training and combined special training courses with the fulfillment of day-to-day tasks in all fields. They explored new ways to train people competent for both military and civilian services in the new period. Many units constantly included knowledge and skills that were useful for both military and civilian work in their training programs and which required soldiers to master the relevant knowledge and skills useful for civilian work in the course of fulfilling their military training tasks. Units which carried out construction and production tasks also organized double-purpose training in connection with their routine tasks and required soldiers to master such skills as architectural design, equipment installation, and farm machine operation and repairs. Thus, the soldiers could master some useful knowledge and skills for civilian jobs while fulfilling their tasks in the Army. Many units also used their training units, technical detachments, farming production bases, and supply and service centers to arrange intensive training for the troops. Soldiers were sent to such training centers in rotation all year round. There, systematic training courses in various skills for civilian jobs were given to soldiers before their demobilization or before their military training. This did not affect the routine work of the troops and also guaranteed training quality. Many military branches, technical units, commanding organs, and military academies also arranged exchanges of their personnel as a new form of double-purpose training. Many units also organized soldiers to participate in all kinds of correspondence courses to learn various practical skills. They also organized reading groups among the troops and encouraged soldiers to read in their spare time, thus raising the ideological and cultural quality of the officers and men. Many units stationed in cities and units stationed in the countryside with necessary conditions joined hands with local civilian institutions to provide double-purpose training for their soldiers, and this also achieved marked results. They made use of the local economic, cultural, and technical advantages by inviting teachers from local schools to impart knowledge or used local facilities as

practice places for helping soldiers consolidate the civilian-oriented knowledge and skills they had learned. People competent for military and civilian services were successfully trained in the course of military-civilian cooperation in building spiritual civilization. At present, there are more than 4,000 military-civilian cooperation centers for training people competent for both military and civilian service.

Many problems in people's minds and in practical work that have yet to be solved will be solved if military units continue to promote the sustained and healthy development of double-purpose training. At present, it is necessary to further bring the thinking of leaders and leading organs at various levels into line with the principles laid down by the Central Military Commission so that they will work more positively to advance double-purpose training. It is necessary to maintain the practice of "education and training integration" so that civilian training can also be included in routine work plans. Various departments should pay more attention to the work of imparting civilian skills to troops and should include this in their routine duties so that the organizational structure can be better suited to the development of this work. In the new year, as long as the whole Army from top to bottom firmly carries out the Central Military Commission's principles for training people competent for both military and civilian services and does down-to-earth work in this field, greater results will certainly be achieved.

Inner Mongolia Secretary Visits Manzhouli

SK2802010492 Hohhot Inner Mongolia People's
Radio Network in Mandarin 1100 GMT 26 Feb 92

[Text] During a visit to the commanders and soldiers of certain border defense Liberation Army and armed police force units stationed in Manzhouli, Wang Qun, secretary of the autonomous regional party committee, emphasized that in border defense, it is necessary to combine the work of keeping the relations with neighboring countries friendly with that of making border areas strong and national defense steadfast, combine the efforts to defend border areas with those to develop border areas, conscientiously implement the party's basic line, and serve the endeavors of reform, opening up, accelerating economic construction, and attaining the second-step strategic objective of the socialist modernization with Chinese characteristics.

Wang Qun arrived at a border defense inspection station in Manzhouli City after a long journey on 24 February to learn and ask in detail about the work and living conditions of the commanders and soldiers of certain border defense units. He spoke highly of their achievements in work and extended cordial greetings to all officers and men.

During a discussion, Wang Qun emphasized: We are currently in a very crucial period for development. Striving to quicken the strides in reform and opening up and promoting the national economy are the pressing

tasks we are faced with. We should conscientiously implement the guidelines of the eighth plenary session of the party Central Committee and the central conference on nationalities work, further emancipate our minds, extend the degree of reform and opening up, strengthen army-civilian unity and national unity, quicken strides in the economic construction of the border areas of minority nationalities, and build prosperous, stable, and impregnable border areas. Border defense work should be geared to the needs in the development of reform and opening up. On the one hand, it should help in keeping the relations with neighboring countries friendly and assist the reform and opening up of border areas. On the other hand, it should help in making border areas strong and national defense steadfast. In view of the increasingly complicated international situation, we should particularly redouble our efforts in border defense work, combine the endeavor to develop border areas with that to protect border areas, further consolidate national defense, and make border areas prosperous.

Comrade Wang Qun said: In accelerating economic construction, we should rely on reform and opening up. Border areas, in particular, should make the best use of the international boundary lines beneficial to us to actively promote reform and opening up. By further deepening reform, opening wider to the outside world, and fully developing our geographical advantages, we should greatly develop foreign economic relations and trade and economic and technological cooperation, and bring in trained personnel, capital, and technology, [passage indistinct]

Jilin Holds People's Air Defense Forum 26 Feb

SK2802032592 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 26 Feb 92

[Text] As was learned from today's provincial people's air defense conference, this year's work should be focused on construction projects, telecommunications projects, and propaganda work. Close attention should be paid to weak links, key projects, and infrastructures so that people's air defense work in various aspects can develop in a sustained, stable, and coordinated manner.

This year about 30 million yuan will be invested in construction projects, and 31 projects will be arranged. Priority will be given to the capital construction projects in Hunjiang and Siping and in front of the Changchun Railway Station and to the three projects to be continued at Hongqi Street in Changchun, in front of the Liaoyuan Station, and in Hunchun.

It was emphasized at the conference: In telecommunications projects, measures should be adopted to modernize gradually the means of telecommunications. In propaganda, its scope and influence should be expanded so that the entire society will understand and attach importance to people's air defense.

Wang Yunkun, provincial vice governor, and Qian Bo, deputy commander of the provincial military district, addressed the conference.

Shenyang Region Border Defense Body Set Up

SK2702054592 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 26 Feb 92

[Text] According to the instructions of the State Council and the Central Military Commission, the border defense committee of the Shenyang Military Region has been established recently. Liu Jingsong, commander of the Shenyang Military Region, has been appointed chairman of the committee. Tong Baocun, deputy commander of the Shenyang Military Region, and three vice governors of Liaoning, Jilin, and Heilongjiang Provinces have been appointed vice chairmen of the committee. The major tasks of the committee are to coordinate and guide the land and coastal defense management in northeast China's border defense areas, strengthen the organization of and leadership over border defense work, and promote the prosperity and consolidation of the frontier in northeast China.

This border defense committee held its first plenary session in Shenyang from 21 to 23 February.

Economic & Agricultural

Simplified Procedures To Help Investment Climate

HK0403051092 Beijing CHINA DAILY in English
4 Mar 92 p 1

[By Ma Lei: "Red Tape Cut Gives Power to Provinces"]

[Text] Xian—China will further improve its climate for overseas investors by simplifying its registration procedures and letting provincial authorities administer local businesses.

The State Administration of Industry and Commerce (SAIC), which oversees foreign-funded business ventures in China, is planning to transfer the duty of registering and administering foreign-funded businesses from its Beijing-based headquarters to its local agencies—the provincial Administration of Industry and Commerce—said Hu Muyin, Director of the SAIC's Register and Administration Department.

The reason for such a transfer of power from State to provinces was partly because "the continuous increase in the number of foreign investors engaging in business ventures in China has made it difficult for the Beijing-based SAIC to handle all the register and administration work," Hu said.

She pointed out that in 1991, 12,644 new foreign-funded firms registered with the SAIC. These included joint ventures, co-operative ventures and foreign-owned firms, not including the 1,089 foreign firms' representative offices opened recently in China.

To speed up the reform and opening-up process, the SAIC gave the power to register and administer local foreign-funded firms to 73 provincial and municipal administrations, Hu told a SAIC national conference that opened in Xian yesterday.

This gives provincial and municipal authorities a greater role in looking after foreign investment in China, she noted.

However, to ensure the success of such a power transfer, the SAIC plans to conduct a nationwide survey of the registration and administration of foreign-funded firms before the end of this year, she added.

Officials attending the national conference are discussing a whole set of new rules and regulations designed to further simplify the registration procedure to facilitate foreign investment in China, and also to improve the efficiency of the SAIC's administration work under the new circumstances, Hu said.

Economist Sees Rise of New 'Little Dragons'

HK0203151492 Hong Kong TA KUNG PAO in Chinese
26 Feb 92 p 2

["Special interview" by staff reporter Chen Pei-sheng (7115 1014 4563): "'Four Little Dragons' Will Emerge on Chinese Mainland—Tong Dalin (4547 1129 2651) on Experience in Developing Commodity Economy"]

[Text] Beijing, 25 Feb (TA KUNG PAO)—"Through the 10-year reform and opening up, the economy in China's coastal areas has gained rapid development, the most representative of which is found in Zhu Jiang Delta, Su-Xi-Chang area (i.e. Suzhou, Wuxi, and Changzhou cities), the Shandong peninsula, and southeast Fujian. If these regions continue to expand their opening up process, they will most probably stand out as China's 'four little dragons' and serve as locomotive for China's economic development in the 1990's."

This was a forecast made by the renowned economist Tong Dalin when interviewed by this reporter. Tong Dalin, deputy director of the China Economic Restructuring Research Center, spends half of his time each year investigating coastal areas. He was very optimistic about the prospects of the above-mentioned four regions and dubbed them as the four little dragons in China's economic development.

Bright Prospects of Four Regions

He said: As far as economic strength is concerned, only three areas on the Chinese mainland have an industrial output value of more than 100 billion yuan each. They are: Shanghai, Su-Xi-Chang, and Zhu Jiang Delta. Shanghai did not have much development in the past 10 years, whereas the latter two areas enjoyed extraordinarily rapid development. Take Suzhou as an example. In 1981, the actual per-capita income in this city was 455 yuan. It rose to 2,160 yuan in 1990, 4.7 times more than

the earlier figure. The industrial output value of the other two regions among the "four little dragons," the Shandong peninsula and southeast Fujian, registered over 70 billion yuan and over 50 billion yuan respectively, joining the top ranks in the country in terms of economic strength.

Different Formulas of Development for Different Places

Tong Dalin drew attention to the experience of the above four regions in three respects, seeing that they have made such great achievements in economic development. First, they have truly developed a commodity economy and established awareness of market competition. Some of their products have entered the world market. For instance, Guangdong's commodities go to three markets, namely, provincial, domestic, and overseas, in roughly equal proportions. Second, they give priority to solving problems concerning the people's livelihood. Guangdong's development was based on the three major pillar industries, namely, home appliances, food, and garments. Third, urban and rural development in these regions is quite well coordinated and the gap between them is gradually diminishing. Because of the emergence of individually-run private businesses and township and town enterprises in large quantities, the employment of rural surplus labor and urban job-awaiting people has also been resolved.

However, he emphasized, the formulas of development in various areas are not the same and other areas in China should never copy any particular formula and rely on the experience of only one area, because conditions in different localities do differ. Yet, in economic development, it is advisable to draw inspiration from the experience of these four regions.

Motive Force for Development in Coming 10 Years

Tong Dalin was very optimistic about the prospects of the development of the "four little dragons" in China's economy. Take the Shandong peninsula for example. This region probably has better resources and cultural advantages than any other province in the country. It abounds in mineral and aquatic products and agricultural resources, and is the fountainhead of traditional culture. It is also close to Japan and South Korea. If it continues to develop with the same momentum as in the past 10 years, it should be able to enjoy very good prospects.

Touching on the outlook for the 1990's, Tong Dalin believed that there is still some headway for the "four little dragons" to grow. They have already obtained certain economic strength. With the opening up of Shanghai, the economic vitality of the Su-Xi-Chang area shall greatly increase. With the incoming catalytic factors from Taiwan, Fujian will grow more rapidly. Besides, if the economic efficiency of the many large and medium state enterprises in Liaodong peninsula improves, it will be able to pair up with Hainan, and they will become two more little dragons in China's economic development in

the 1990's. The development of these six little dragons and Shanghai will be the greatest hope for enhancing China's economic strength in the last decade of the 20th century and also the main motive force for future political reform.

Coal Firm Head Announces Foreign Trade Plans

HK0303101192 Beijing CHINA DAILY in English
3 Mar 92 p 2

[By staff reporter Chang Weimin: "Coal Firm Spells Out Export Goals"]

[Text] China's coal mines look set to strengthen trade and economic co-operation with foreign countries.

Yesterday in Beijing, Hu Fuguo, president of the China National Coal Corporation (CNCC), announced his firm's plans on foreign trade and economic co-operation, saying bold steps will be taken.

Hu made the remarks at CNCC's annual conference. Hundreds of officials gathered to discuss the future.

CNCC, which exported some 20 million tons of coal last year, this year will widen the variety of its export products.

They aimed to maintain exports of raw coal at last year's level but exports of other coal products, including coke and coal tar, are to be increased.

In addition, exports of coal-mining machinery are planned to be increased by 20 percent against \$12.6 million worth sold last year, which was about twice the 1990 figure.

Hu said his firm wants to absorb more investment and technology from overseas by adopting new trading methods including compensation and barter trade, jointly-running mines and technology exchanges.

This year, CNCC will expand its foreign trade and economic co-operation by starting more business with neighbouring nations.

CNCC, which turned out 369 million tons of the county's total coal output of 1.08 billion tons last year, exported 20.12 million tons of coal, an 11 percent increase over the State plan.

Foreign exchange earnings that year were \$760 million, up 30 percent from the State plan.

The firm exported 17.72 million tons of coal in 1990, which earned \$650 million.

Hu announced his firm's plan on development for this year as well as the coming years, saying strengthening coal processing to turn out more value-added products is the only way for rapid development in the future.

He said that during the 1992-95 period, the firm will invest 1 billion yuan (\$180 million) in 112 projects to strengthen its coal cleaning and grading capacity.

When the projects are finished, it will be possible to clean 50 million tons of coal a year and grade 11 million tons.

By then, the proportion of cleaned coal will be increased to 58 percent of the total from the present 37 percent, and the proportion of classified coal to 47 percent.

According to the plan, 33 coal cleaning plants will be expanded and 35 projects on coal cleaning technical renovation carried out.

The projects should produce profits of 760 million yuan (\$139 million) a year. Hu said the investment in the projects could be recouped within one year and four months on average.

Last year, the firm put five coal cleaning plants into operation, which can wash 14.4 million tons of coal a year.

By using 7.9 billion yuan (\$1.45 billion) as investment for capital construction, the firm also put 16 mines into production, which can turn out 21.4 million tons of coal a year.

Commission Approves 10-Region Economic Division

HK0403025092 Hong Kong WEN WEI PO in Chinese
26 Feb 92 p 3

[By staff reporter: "State Planning Commission Approves Division of China Into 10 Economic Regions"]

[Text] Beijing, 24 Feb (WEN WEI PO)—A few days ago, the State Planning Commission approved the division of China into 10 major economic regions and devised the construction priorities for each region:

1. The East China Economic Region It covers Heilongjiang, Jilin, and Liaoning Provinces and Inner Mongolia's eastern region. The region, which has rich resources and fertile land, will be built into China's largest heavy industrial base and a major agricultural, animal husbandry, and forestry base.

2. The North China-Bo Hai Economic Region It covers Beijing, Tianjin, Hebei, and Shandong. The region, the heart of China, which has a galaxy of talent and advanced equipment, will energetically develop knowledge- and technology-intensive industries. Coastal areas in Shandong and Hebei, which are richly endowed by nature, will be built into a major deep-sea fishing, marine fish farming, and cotton producing base.

3. The Chang Jiang Delta Economic Region It covers Shanghai, Jiangsu, and Zhejiang. The region, which has a dense population, relatively high quality personnel, and developed processing industries, will build hi-tech

industrial clusters and develop processing industries characterized by new, high, advanced technologies. It will thus become China's largest economic core region, a base open to the outside world, and for personnel training and financial, trading, and information centers.

4. The Southern Coastal Economic Region It covers Guangdong, Guangxi, Fujian, and Hainan. It is most suitable to develop the region into an export base.

5. The Huang He Middle Reaches Economic Region It covers Shanxi, Shaanxi, Henan, and Inner Mongolia's western and central regions. The region will be built into China's largest comprehensive energy and heavy chemical industrial development region.

6. The Huang He Upper Reaches Economic Zone It covers Gansu, Ningxia, and Qinghai. The region, which has rich water resources as the Huang He's drops are relatively sheer here, will continue to extend hydroelectric power stations to form an energy and raw and semifinished materials production base with hydroelectricity as the lead.

7. The Chang Jiang Middle Reaches Economic Region It covers Hunan, Hubei, Jiangxi, and Anhui. The region will be built into an economic corridor along the Chang Jiang stressing industries which need a large carrying capacity and consume large amounts of water and a major agricultural production base.

8. The Chang Jiang Upper Reaches Economic Region It covers Sichuan, Guizhou, and Yunnan. The region will build a major industrial base with the stress on heavy chemical industry which consumes large amounts of energy and make energetic efforts to develop an agricultural-forestry economy.

9. The Xinjiang Economic Development Region This region will be built into a major petroleum and petrochemical industrial base and a major agricultural, animal husbandry, and related processing industrial base.

10. The Tibet Special Economic Region As Tibet differs vastly in terms of climate and geographical location, its economy develops slowly. This being the case, it is comparatively reasonable to divide Tibet into a special region.

Chen Jinhua Views Government Role in Economy

HK0203134292 Hong Kong CHING CHI TAO PAO in Chinese No 7, 24 Feb 92 p 15

["China Economic News" column article: "Minister of State Structural Reform Commission Chen Jinhua Stresses Need to Change Government's Function in Managing Economy"]

[Text] Chen Jinhua, minister of the State Structural Reform Commission, stressed that governments at various levels must conscientiously change their function and method in managing the economy and gradually establish an effective macroeconomic management

system characterized mainly by indirect regulation and control. He pointed out that the government's management over the economy is mainly to: maintain a balance between total supply and total demand, determine relationships within the economic structure, control inflation, and prevent big fluctuations of the market; formulate and publish industrial policies and make timely adjustments to the policies according to market changes; provide information concerning international and domestic market demand, help enterprises conscientiously readjust product mix, and promote the rationalization of the economic structure; in accordance with industrial policies, formulate matching policies for finance, banking, and import and export, and accomplish state economic objectives and fairness and rationality of income and distribution by using such economic levers as interest, tax, and exchange rates in a comprehensive and coordinated manner; conduct institutional building; and, by means of law and regulations, standardize the behavior of producers, operators, and investors, standardize order in the market and circulation field, and ensure the sustained, steady, and coordinated development of the national economy.

Article on Aspects of Invigorating Enterprises

HK0103075092 Beijing JINGJI CANKAO BAO in Chinese 9 Feb 92 p 1

[Article by Zhai Taifeng (5049 3141 0023), deputy director of CPC Central Committee Propaganda Department, and Li Lianzhong (2621 6647 0112), doctor of economics in Policy Research Office of CPC Central Committee: "In Invigorating State-Owned Large and Medium-Sized Enterprises, 10 Kinds of Relations Must Be Properly Handled"]

[Text] I. Relations Between Internal and External Factors Should Be Correctly Handled

In invigorating large and medium-sized enterprises, their internal and external factors should be taken into consideration so they cooperate with each other. In other words, enterprises' quality should be improved while making efforts to improve their external environment to promote their development. Enterprises should improve their mechanisms, strengthen their management, promote technological progress, and tap their potential. In stressing the decisive role of internal factors, the important role of external factors should not be overlooked. Internal factors cannot display their positive role without certain external conditions. Economic management departments at all levels should pay attention to improving external conditions, make efforts to create favorable external conditions for enterprises, and improve their blood-creating [zao xue 6644 5877] functions. Many advanced enterprises are using the external conditions provided by the state to form a propelling force and ignite their internal impetus. This has brought into play enterprises' initiative, activated their decisive factors, and invigorated enterprises.

II. Relations Between Special Difficulties Under Present Situation and Changing Enterprises' Operational Mechanism Should Be Correctly Handled

Now enterprises are facing many problems, such as debt chains, overstocking of commodities, serious losses, fund shortages for technical transformation, and backward management. Unquestionably, these difficulties are important factors restricting enterprises' development. The state is taking relevant measures to overcome these difficulties. But, to fundamentally eradicate these difficulties, enterprises' operational mechanism must be changed. If this fundamental problem is not properly solved, loss-incurring enterprises will not be able to consolidate themselves even if they can make up their deficits; profit-making enterprises may possibly become loss-incurring enterprises due to lack of vitality. Only when state enterprises increase the content of their reform; deepen their reform; ensure the implementation of autonomy in operation, decision-making, structural arrangements, internal distribution, labor, and employment; and set up an operational mechanism for independent management, assuming sole responsibility for profits and losses, self-development, and self-restrictions, will they be able to meet the needs of the planned commodity economy, get rid of their passive position in which they rely on external assistance, and energetically bring forth vigor and vitality.

III. Relations Between Development Rates and Economic Results Should Be Correctly Handled

Historical experience has proved that development rates cannot be ignored in developing the socialist economy, but development rates without good economic results cannot last long. Concentration on development rates alone will make product quality and variety unsuitable for social needs, cause the overstocking of commodities, make it impossible to embody the value of products, and bring about a serious waste of raw materials and work hours. Therefore, development rates should be based on good economic results. Without good economic results, there can be no genuine development rates. In invigorate large and medium-sized enterprises, we should remember historical lessons, really cultivate a mentality about good economic results and strengthen this mentality, overcome and rectify the one-sided concept of seeking development scales, rates, and output value, and make earnest efforts to shift economic work to the orbit of adjusting the structure and improving economic results. In appraising the quality of enterprises' work, we should judge whether their value increments conform with social needs and are of good quality after investing certain production factors. We should make up our minds to enable most enterprises to produce the most ideal results by relying on intensive development and rational investments. A small number of enterprises with irrational structures and bad economic results and without development prospects should be resolutely closed down, stopped from producing, merged, or shifted to the production of other products.

IV. Relations Between Enterprises' Immediate Interests and Long-Term Development Should Be Correctly Handled

At present, the technology and equipment in most enterprises in China are backward and need transformation. To fulfill their short-term contract tasks, some enterprises simply put their equipment together without considering or giving little consideration to their depreciation funds from fixed assets; they even use up their circulating funds. Adding the demand for an increase in workers' bonuses and welfare, enterprises find it hard to invest adequate funds from their profit retention for technical transformation, thus bringing about a serious discrepancy between the full prices of their fixed assets and their book value and making enterprises rest on state assets. To ensure enterprises have a development stamina, we should implement the principle of science and technology being the primary productive forces, expedite enterprises' technical transformation, raise their technical grading, and work out a full set of policies and measures to bring about technological progress in enterprises. In accordance with the requirements of the state industrial policy, we should carry out technical transformation in large and medium-sized enterprises in a planned way so these enterprises will occupy a leading position among the same types of enterprises. To raise the level of enterprises' technical transformation, there is a need to gradually increase investments for technical transformation, to open up more avenues, to tap financial resources in various ways, to improve enterprises' ability in making investments for technical transformation, and to promote technological progress in enterprises.

V. Relations Between Accumulation and Consumption Should Be Correctly Handled

Disparities of interests between enterprises have made them compete with each other in terms of wages and welfare. As a result, some loss-incurring enterprises keep providing bonuses and some profit-making enterprises provide bonuses as they like, causing over-distribution of bonus and welfare funds in enterprises. This has affected enterprises' accumulation and weakened enterprises' ability to carry out expanded reproduction. At a time when no large-scale adjustment can be introduced to the total national income, if the increase in the total wages outstrips that of the national income and workers' personal consumption is expanded disproportionately, the social accumulation fund is bound to be used because the social consumption fund remains untouched. If the increase in workers' average wages exceeds the improvement of labor and production levels, this will also lead to the bad practice of using the accumulation fund. To ensure the smooth implementation of expanded reproduction in society and enterprises, the relations between accumulation and consumption should be correctly handled. Viewed from the angle of developing the economy and improving the people's standard of living, the lower limit of the accumulation fund should not affect workers' technological and equipment level during the basic

period and the upper limit should not affect workers' per capita consumption level or its improvement during the basic period. The top limit of the consumption fund should not affect the scale of expanded reproduction necessary for the next production period. Workers' average technological and equipment level should remain a little higher than the level during the basic period and its bottom limit should not be lower than the per capita consumption level during the basic period. Therefore, following economic growth, the increase in wages and bonuses should, generally speaking, be higher than the increase in commodity prices but lower than the increase in the national income and labor productivity, so the accumulation fund will maintain an appropriate growth. Otherwise, the whole fortune will be used up by sitting idle and eating.

VI. Relations Between Overall and Partial Interests Should Be Correctly Handled

Socialist public ownership determines that the state, as the representative of the entire working people, uses social production materials in its possession to carry out social production in a planned way to meet the needs of the entire society. State interests are the concentrated manifestation of the entire people's interests. Departments and enterprises are relatively independent economic bodies. Since economic reform was introduced, they have been recognized as having relatively independent economic interests according to the need of planned socialist commodity economic development. As commodity producers, they are producing economic interests through commodity exchanges, and this has boosted their initiative in production and management; they are promoting the productive forces by developing the commodity economy. Because the purpose of the state and enterprises in possessing and using social wealth is to serve the people, their fundamental interests conform with each other. In invigorating large and medium-sized enterprises, on the one hand, relatively independent economic interests should be stressed to encourage enterprises to enliven their operations to develop production and increase income; on the other hand, it should be stressed that partial interests should be subordinated to overall interests. Under the precondition that the state's interests are consolidated and developed, enterprises should gradually materialize their partial interests through independent management and assuming sole responsibility for their profits and losses.

VII. Relations Between Central and Local Authorities Should Be Correctly Handled

In building socialism and developing the national economy, there is a need to bring into play the initiative of central and local authorities. It will not do to bring the initiative of one side into play. Bringing into play the initiative of the central authorities alone will make it difficult to develop the national economy; bringing into play the initiative of local authorities alone will affect major construction projects involving the overall interests of the national economy. The excessive expansion of

local investments will lead to loss of control over the macroeconomy and rocky economic development. Therefore, if the relations between central and local authorities are not handled well, it will be hard for enterprises to really have vitality. Even if they are invigorated, this invigoration will not last long and it will be difficult to bring about the sustained, steady, and coordinated development of the national economy. Therefore, in the course of developing the socialist planned commodity economy, it is necessary to cultivate the mentality of taking the overall situation into account. Localities can maintain specialties which correspond with their specific conditions, but these specialties should not disrupt the country's necessary uniformity.

VIII. Relations Between Invigorating Enterprises and Scrapping Small Number of Enterprises Should Be Correctly Handled

Whether enterprises can operate well depends on themselves. Reliance on state special policies will not give rise to genuine invigoration of enterprises. The vitality of enterprises should undergo market tests. The market mechanism creates an equal environment of competition for enterprises. This will result in the success of good enterprises and the elimination of bad enterprises. Therefore, invigorating enterprises does not mean protecting backward enterprises. All enterprises unable to withstand the dangerous leap from use value to value in the market will fail in competition.

Some enterprises' production capacity far exceeds market demand and their products are seriously overstocked. These enterprises should not be blindly invigorated. Otherwise, their products will be all the more seriously overstocked. There should be focal points in invigorating enterprises, and enterprises should be invigorated according to the state industrial policy. Those which should be invigorated should be invigorated and those which should not be invigorated should be closed down, stopped from production, merged, or shifted to the production of other products. They should be eliminated so the state can concentrate its financial revenues and monetary support on enterprises which provide and increase effective supplies, thus changing the situation in which neither bad enterprises wither nor good enterprises thrive. Scrapping a small number of enterprises will help invigorate a large number of enterprises.

IX. Relations Between "Human and Material Factors" Should Be Correctly Handled

Some comrades said that there is not an adequate fund to invigorate large and medium-sized enterprises and that their equipment is backward. They have lost sight of human factors. They forget or cannot wholeheartedly rely on the working class, who are the masters of socialist state enterprises. They possess great enthusiasm for socialist construction. Fully displaying the wisdom, intellect, and creativity of workers is the basis for invigorating large and medium-sized enterprises and is also the biggest strong point of our socialist enterprises. We

should make efforts to improve workers' comprehensive quality and turn scientific and technological achievements into real productive forces. This will help produce ideal economic results. When laborers master science and technology and improve their ability to operate production equipment, the efficiency and use rate of the existing equipment will be raised along with the improvement of output value. Therefore, in invigorating large and medium-sized enterprises, on the one hand we should strengthen ideological and political work to bring their workers' initiative into full play; on the other, we should take effective measures and use all kinds of methods to provide technical and professional training for the workers to improve their technological quality so they can master science and technology, which are developing speedily.

X. Relations Between Strict Rectification and Democratic Management Should Be Correctly Handled

Socialist enterprise management should give expression to the natural quality of the productive forces and to the social nature of possession under public ownership. Operational, management, and workmanship systems as well as labor discipline should be strengthened according to this natural quality; and democratic management should be strengthened according to this social nature, to show that workers are the masters who control production materials. Now there is a lack of democratic management in enterprises as well as lax management over production and operation and lax administration. Therefore, to invigorate enterprises, it is necessary to strengthen their management; improved management will bring about good economic results.

Socialist public ownership determines that staff members and workers are the masters of the country and enterprises. Large-scale socialized production demands strict management. According to these two requirements, to really improve enterprise management, there is a need to organically integrate democratic and strict management and to combine reliance on staff members and workers with strict management. Only by combining these two can we produce the best results in the management of large and medium-sized state enterprises.

Commentator on State-Owned Enterprises, Market

HK0403075092 Beijing ZHONGGUO JINGJI TIZHI
GAIGE in Chinese No 1, 23 Jan 92 p 6

[Special commentator's article: "New Starting Point in Operation To Invigorate State-Owned Large and Medium Enterprises—First Installment of Editorial Series on Plunging Enterprises Into Market"]

[Text] The CPC Central Committee work meeting convened last September laid down 20 policy measures to invigorate state-owned large and medium enterprises, and unequivocally called for the transformation of enterprises' operational mechanism so as to plunge state-owned large and medium enterprises into the market. It is an important policy decision that helps solve our

country's current major economic problems, develop a planned socialist commodity economy and establish an organic mechanism that combines planned economy with market regulation. It is, indeed, a new starting point in the operation to invigorate state-owned large and medium enterprises.

Plunging enterprises, state-owned large and medium enterprises in particular, into the market is the natural tendency of continual deepening of enterprise reform and even the whole economic restructuring. During the initial period of reform, the starting point was delegating power to lower levels and letting them retain a proportion of profits in order to turn back the tide of the state exercising "too much supervision and rigid planning" over enterprises. After several years of exploration, the Third Plenary Session of the 12th CPC Central Committee adopted the "CPC Central Committee Decision on Reform of the Economic Structure," for the first time explicitly defining socialist enterprises as commodity producers and traders who are truly responsible for their own management decisions and profits and losses and who practice self-restraint and develop on their own initiative. Centering on this objective, various places across the country have carried out a variety of explorations in reform practices, and have especially implemented the contract responsibility system among the vast majority of state-owned large and medium enterprises, which has actively facilitated the separation of government administration from enterprise management and invigorated enterprises. However, due to the fact that the contract responsibility system cannot fundamentally solve problems that block the realization of such goals as introducing the system of enterprises assuming full responsibility for their profits and losses, the self-restraint mechanism, and so on, it is still difficult to build up a mechanism for equal competition. Recently, Premier Li Peng pointed out at a national work meeting on reform of the economic structure that the core of enterprise reform is to plunge enterprises into the market. His words illustrate that the explicit proposal of plunging enterprises into the market is a further development of the contract responsibility system and a sign of deepening enterprise reform, enabling public ownership enterprises to become truly independent commodity producers and traders and thereby laying the foundation of the development and expansion of the publicly owned economy.

Plunging enterprises, state-owned large and medium enterprises in particular, into the market is the only way for state-owned large and medium enterprises to break out of their predicament as well as to invigorate themselves. A fairly large number of state-owned large and medium enterprises are currently incurring severe deficits with low efficiency and unsalable products, giving rise to problems such as "debt chains" among enterprises and overburdening due to huge financial subsidies. Unlike in the initial period of reform, just delegating power to lower levels and letting them retain a proportion of profits cannot be expected to solve these problems, and there is no way to achieve tangible results

through shallow reform. What needs to be done is to proceed from in-depth restructuring and mechanism transformation, and carry out comprehensive and coordinated reforms in enterprises' internal structure, promotion of the market system, the institution of a macroeconomic regulation system, and the formation of a new-style social security system. The purpose of such moves is to transform enterprises' past role as appendages of administrative departments into one of separate entities in market competition and to shift from overreliance on state planning to further utilization of the market. Enterprises should organize their production in accordance with market needs, consciously adjust the product mix and let superior products squeeze out inferior ones in market competition. Indeed, the process of enterprises' plunging into the market is the process of constant readjustment of the product mix and continual expansion of superior enterprises concurrent with elimination of inferior enterprises, which enables the recombination of production factors and the optimal use and rational distribution of resources. In this way, the quality and efficiency of the entire national economy will be improved.

Plunging enterprises, state-owned large and medium enterprises in particular, into the market is the specific exploration of the mechanism which organically combines planned economy with the market. It is necessary for state-owned large and medium enterprises, which are our country's most basic entities of economic operation, to be subjected to market regulation and the guidance of plans, as neither measure can be done away with. At present one of the main reasons why enterprises lack vigor is that the function of market regulation has not been fully brought into play. If enterprises do not plunge into the market, then there is no way to invigorate them, and also the guiding function of macroeconomic planning cannot be effectively manifested. If enterprises' operations are built upon the basis of market regulation, then the state's macroeconomic management pattern can be modified in such a way that indirect regulation rather than direct regulation is highlighted, and, by the same token, it helps form a new-style regulation system which, subject to the state's planning guidance, uses financial and monetary policies as its principal means. So long as the two-tier functions of planning and market regulation can be fully manifested in enterprises, substantial progress can be achieved in instituting the entire mechanism characterized by the integration of planned economy and market regulation.

Zhu Rongji on Setting Wage Increase Limits

HK0203142392 Hong Kong CHING CHI TAO PAO
in Chinese No 7, 24 Feb 92 p 15

["China Economic News" article: "Zhu Rongji Proposes Limit to Wages"]

[Text] State Council Vice Premier Zhu Rongji said at a meeting that in carrying out the payment of wages commensurate with returns, we must set a limit to

income. He said: Total distribution must be controlled. The current wage payment method in which wages are paid commensurate with returns enables one to earn more wages when the returns increase while being unable to lower them when the returns decrease. I have an idea: Set a general wage increase for the whole country in light of the situation of the national economic development and returns. All departments set a limit to the wage increases in their own professions or trades according to the national average of wage increases. All professions and trades must fix their average wage increases and the maximum limits which are to be fixed according to the advanced enterprises in their particular professions or trades. On this basis, enterprises should calculate wage increases according to their own returns. Their wage increases can only be lower than, never higher than, the maximum wage increase in the same profession or trade. The previous practice that no limit was fixed for income is impractical because it gave rise to a great difference in incomes. The portion that exceeds the maximum limit of a profession or trade can be used to set up a wage risk foundation. This year's surpluses can be used to make up for next year's losses.

Importance of Speeding Up Capital Turnover Noted

OW0303055892 Beijing XINHUA Domestic Service
in Chinese 0640 GMT 2 Mar 92

[Economic commentary by XINHUA reporter Xu Yaosheng (1776 5069 0022): "The Significance of Speeding Up Capital Turnover by Six Days"]

[Text] Beijing, 2 Mar (XINHUA)—According to the Statistical Communiqué issued by the State Statistical Bureau recently, the turnover time of quota circulating funds for state-owned industrial enterprises under our state budget in 1991 was 124 days, six days faster than the previous year. How should we view this six-day acceleration? Our reporter has arrived at a new understanding of accelerating the turnover of funds after holding interviews with the departments in charge of comprehensive economic management and looking up relevant data:

We should not belittle these six days. The total amount of funds used under the quota for circulating funds in 1991 already exceeded 1 trillion yuan. Accelerating the turnover by one day means making available an unutilized fund or savings of 3 billion yuan. The six-day acceleration is tantamount to accumulating an unutilized fund or savings of 18 billion yuan. If this sum of 18 billion yuan is used for key construction projects, it is possible to build four Gezhou Dam-type super-sized hydroelectric stations, or open over 30 sets of super-sized mines capable of producing 40 billion tons of raw coal annually, or build 36 Mitsubishi kinescope projects in Beijing, or construct eight 375-km-long expressways from Shenyang to Dalian.... Therefore, the significance of saving 18 billion yuan by six days is self-evident.

It must be pointed out that it is extremely difficult to gain the time of six days. It involves a great deal of hardship and hard work behind it. To speed up the turnover of the fixed circulating funds, China made strenuous efforts in its economic work in 1991, especially in improving the link between production and marketing. Take, for instance, the clearing of debt chains. The State Council convened three special meetings successively to carry out studies and make the necessary arrangements. Also, Vice Premier Zhu Rongji made six visits to the experimental area in Liaoning Province, and efforts had been made to sum up the successful experience of clearing the hands and the minds at both ends. Then, proceeding further from this basis, a down-to-earth debt default clearing drive was launched nationwide, and this achieved remarkable results by clearing debt defaults amounting to over 130 billion yuan. In the work of curtailing funds held up in stockpiles of finished products, the State Council Production Office sent out directions on limiting production and reducing stockpiles to various localities and further linked it with loans for technological innovations, thereby greatly facilitating the implementation of the work on limiting production and curtailing stockpiles and contributing to overfulfilling the task of reducing overstocks by 20 billion yuan. The smooth implementation of these two tasks directly helped accelerate the turnover of circulating funds. Obviously, to achieve efficiency in economic work, it is necessary to make tremendous efforts and to work in a steadfast and meticulous manner. It is impossible to achieve results overnight. To stage a performance just for a few minutes, performers may have to go through years of training and practice. This is also true of economic work. The shortening of the capital turnover period by six days in the previous year was precisely the results of over 60 six-day efforts made by the people throughout the country.

Of course, these six days should be viewed in the proper perspective. While fully affirming the achievements, we should, at the same time, notice that the level of 124 days for the turnover of quota circulating funds is still relatively low. During the past decade, the average turnover time for our quota circulating funds has been 109 days, with a record 97 days in the best year. This shows that the potential for China to accelerate the turnover of fixed circulating funds is still very great. If we can reach an average of 109 days, an unutilized fund or savings of 45 billion yuan will be made available per year; if we attained the record time of 97 days achieved within the history of the last 10 years, then we would make available an unutilized sum or savings of 81 billion yuan. What a sizable figure it is! How many projects waiting to be carried out by the state would have been accomplished with that sum of money!

It is necessary to attach great importance to the issue of accelerating capital turnover. The turnover period of the quota circulating funds is an overall reflection of the operating condition of our national economy; it is also a concentrated expression of the current complex and

multi-tiered problems of our country's economy. If we can, during the course of all-around economic development, we should work to even better resolve the problems of the coordinated growth of production, construction, and consumption, as well as the promotion of interrelations among the factors of maintaining stability, reform, and development, while constantly readjusting the economic structure and enhancing economic efficiency. It will then be possible for us to further lead our economy onto a favorable track. Therefore, it is necessary to incorporate the speeding up of capital turnover into the overall economic work, and to formulate specific objectives for coordination and comprehensive management by the various parties concerned. In particular, it is essential to pay attention to adjusting product mix, limiting production and reducing stockpiles, and preventing the occurrence of clearing the debt chain on one end and extending it on the other. In this way, we will be able to achieve greater progress in shortening the capital turnover period in the current year.

Price Reform Said Benefiting National Economy

OW0503090992 Beijing XINHUA in English
0824 GMT 5 Mar 92

[Text] Beijing, March 5 (XINHUA)—If long queues in front of bicycle shops were a common sight in China a decade ago, the bicycle manufacturers are now racking their brains to promote sales.

China freed the formerly state-set prices of bicycles in 1980, thus spurring the producers to make more bicycles and then benefit from selling them at market prices.

Started 12 years ago, the price reform is aimed at slashing prices fixed by the government and letting the price swings adapt to market fluctuations.

As a result, a brisk economy with abundant commodities appeared.

Official statistics show that China's retail sales last year jumped by 13 percent to 930 billion yuan.

A panic-free grain market exists although the government increased the purchase price for grain and edible oil last year.

China's grain output has grown by more than 100 billion kilograms during the past 8 years.

Economist Yang Shenming ascribed the strong agricultural production partly to the earlier price readjustments which "encourage the farmers to grow more crops".

Almost all food prices are market-controlled nowadays. Food consumption accounts for 60 percent of the average family income in China.

The state only controlled two-thirds of the prices, with full authority on price decisions being granted to local governments, enterprises, shops and individual businessmen.

Consumers become more leisurely in reaching into their pockets. "I would buy nothing till I go round most of shops downtown, as there are too many goods for selection and price margins are big," said Hu Tao, a young housewife.

"Now it is the buyers who dominate the markets, instead of the prices, a sharp contrast to the panic buying in 1988 when consumers snatched almost everything they saw in fear of price hikes," said Yang, the economist.

Today, people still buy almost everything, from one-yuan stockings to 1,000 yuan, well-tailored western suits, but leave the out-dated pop song tapes gathering dust on the shelves.

The rise in price as an inevitable result of the reform has given rise to complaints from some of consumers.

The government has given subsidies to urban residents for food and other essential commodities which have had dramatic price increases.

The government has also tried hard to prevent the prices from running too high and to avoid inflation.

The rise in price last year was 2.9 percent, which, according to a report by the Asian Development Bank, is "lower compared with the world average level".

The price level does not hold consumers back.

Wu Hebo is a 26-year-old university teacher. He and his wife make 400 yuan (about 70 U.S. dollars) a month, the average income of Beijing residents. They have a baby. The family bought a color television and a refrigerator last year with about 3,000 yuan.

"But in the early 1980s, to buy a color television set, you needed to get a coupon from the commercial bureau," Wu said, adding that those coupons were then so rare that some people resold them for profits on the black market.

A nationwide survey conducted by the trade union found that the common topics among the people are housing shortages, instead of the rise in price.

Achievements in 100 Key Projects in 1991 Praised

HK0203131792 Beijing XINHUA Domestic Service in Chinese 2122 GMT 24 Feb 92

[By reporter Wu Shishen (0702 1102 3234): "100 Major Key Projects Have Been Completed and Put Into Production During First Year of Eighth Five-Year Plan Period"]

[Text] Beijing, 25 Feb (XINHUA)—Good news concerning our key construction projects in the first year of the Eighth Five-Year Plan period has spread to the effect that 100 major projects have been completed and put into production on the soil of China, putting up new solid pillars for the large economic mansion of the Republic.

The latest figures from the State Statistics Bureau show that in the 182 key projects organized by the state to be completed within rational periods for construction in 1991, 44 billion yuan were invested, overfulfilling the annual investment plan. There were 100 large and medium capital projects, 153 large and medium single-item projects, and 115 major renovation and transformation projects completed and put into production throughout the country. It was a year in which relatively more projects were completed than in recent years.

Of the major construction projects newly built, quite a few have become "the top" in the construction history of New China: The domestically designed and constructed Qinshan Nuclear Power Station with an installed capacity of 300,000 kilowatts has filled in the gap in mainland China's nuclear power industry, signifying China's possession of all industrial branches; the Shanghai Nanpu Bridge, built for the development and opening up of Pudong District and praised as "the bridge striding over the century," is the largest slanting cable suspension bridge in China and the second largest in the world; the Sitaigou coal mine in Datong, Shanxi, with an annual mining capacity of 5 million tonnes, is an extra large pit in our country; the Anyang Colored Television Tube Plant rising on the land of the central plains, with an annual output of 4.6 million sets, has become our largest production base of television sets; and the state's Hefei synchronous radiation laboratory is our super-class high-level scientific laboratory, which is one of very few in the world. Other major projects completed last year include the Yangzi and Qilu ethylene projects, with an annual output of 800,000 tonnes each, and Shanghai Baoshan Iron and Steel Complex's second phase project of iron-smelting and steel-making for a designed capacity of 3 million tonnes each, were all realized, attracting people's attention.

The great number of major projects completed and put into production further expanded the economic strength of our country. According to statistics, the newly increased productive capacities for major products in the country's capital construction in 1991 also broke the record: The generating set capacity was 11.84 million kilowatts, steel and iron smelted were 3.96 and 3.76 million tonnes respectively, and chemical fertilizer was 0.96 million tonnes, which all reached record highs since the founding of the Republic. The newly increased extracting capacity of coal and petroleum, productive capacity of cement, and the mileage of newly built electrified railway respectively surpassed those of the previous year.

Retail Market Sales See 'Considerable Increase'

HK0303095092 Beijing CHINA DAILY in English 3 Mar 92 p 1

[By staff reporter Ma Zhiping: "Shoppers Spend More This Year"]

[Text] The domestic retail market, spurred by avid shoppers during the recent national and traditional New Year holidays, has seen a considerable increase in sales volume over last year, according to commercial sources.

The country's domestic retail sales totalled 87.3 billion yuan (\$16.16 billion) in January, up 13.6 percent over same period last year, indicating a stable and prosperous situation in the domestic market, according to the State Statistics Bureau.

This development confirmed market experts' predictions that retail sales would continue to recover this year, according to officials from the Ministry of Commerce.

Although statistics on retail sales in February are not yet available, business volume kept on increasing, with food, clothes, big and small household electrical appliances, ornaments and decorating materials selling briskly in the Spring Festival market—the busiest shopping season of the year—which started late January this year, local reports indicated.

Consumers are looking for more impressive holiday gifts, as shown by big sales of beautifully packaged holiday items such as fresh flowers, paintings, fine tea and high-grade tableware.

Sales of household electrical appliances, like that of various holiday foodstuffs, was very brisk in big cities, including Shanghai, Guangzhou and Beijing, where the amount of colour TV sets, refrigerators and water-heaters sold by the city's State-run shops in January increased more than 40 percent over last January.

While attributing the sales boom to the rich variety of goods and general improvement in living standards, commerce officials also mentioned other factors, including various sales promotions, such as exhibitions, telephone sales and the introduction of special shopping centres for the convenience of children and teachers.

Another important indicator was rural retail sales, which rose 13.4 percent over the same period last year, the highest monthly growth rate in recent years.

Sales of electrical appliances climbed up as high as 40 percent in some counties in Heilongjiang Province in the northeast and Jiangsu and Fujian provinces in the south as new families set up housekeeping in rural areas during the Spring Festival, a traditional date for marriage in rural China.

Need for Open Markets in Cities Discussed

OW0203221992 Beijing XINHUA Domestic Service
in Chinese 0858 GMT 2 Mar 92

[Report by XINHUA reporter Fu Gang (0265 0474): "Decontrol One Part and a Large Area Will Be Enlivened—Revelations From the Development of Open Markets in Cities"]

[Text] Beijing, 2 Mar (XINHUA)—Comrades handling economic affairs may still remember that shortly after the reform and open policy was implemented, people argued whether the establishment of open markets in large and medium-sized cities should be allowed. Now the facts of a decade of reforms prove that the worries of those who opposed the idea were unnecessary.

Open markets not only have rapidly reappeared and developed in recent years, but they have also been playing an increasingly important role in people's economic lives. For example:

- They have become important channels of commodity circulation. From 1979 to 1991, the number of open markets doubled. Business volume, which increased more than 10 times during that period, accounted for over one-fifth of the total retail sales of consumer goods, up from the previous one-tenth. As far as agricultural and sideline products are concerned, the prices of most of them have now been decontrolled, with the exception of tobacco leaves, cotton, and some expensive Chinese medicinal herbs, the purchase of which the state still controls, as well as grain and oil-bearing crops for which the state still sets purchasing quotas through contracts.
- They have promoted commodity production in rural areas. In many places, industrial production operated by townships, associated households, or family operators depend on these open markets where they purchase their raw materials and market their goods. Take Zhejiang Province, for example. Approximately 5 billion yuan in industrial goods was marketed at these open markets annually.
- They have enriched urban residents' "food basket." Today, urban residents purchase most of their non-staple foods, including 71 percent of vegetables, at these open markets. Many people say that they can afford not to shop at stores for 10 days but cannot afford not to shop at open markets for even one day.
- They have expedited the development of tertiary industry and absorbed large amounts of surplus manpower in the countryside.
- They have increased the state's revenues.

People in economic circles commonly maintain that the development of open markets is one of the most noticeable successes the nation has achieved in restructuring its commodity circulation system. But when we seriously ponder this issue and ask why these markets can develop rapidly and thrive, we find:

First, we must uphold the reform and open policy. The implementation of the party's reform and open policy is the most fundamental reason for the rapid development of open markets. The Third Plenary Session of the 11th CPC Central Committee clearly stated that open markets are an essential supplement to the socialist economy and part of the centralized socialist market. Thus, from

1979 to 1983, the state opened the market for agricultural and sideline products and small commodities in cities and permitted some people to engage in such trade. Since 1984, the state has also abolished the system of fixing purchasing quotas for agricultural and sideline products, further decontrolled long-distance trade, and permitted large and medium-sized cities to establish wholesale markets for agricultural and sideline products.

Second, the development of these markets show that we must respect the law of value. Since most of the prices of goods traded on open markets have been decontrolled, the cultivation and development of these markets must be based on the law of value: exchanges of equal value, competition on equal footing, and adjusting prices according to market demands. In general, commodities sold on these markets have no fixed prices, and their values are adjusted by the law of supply and demand. The fact that there are no longer shortages in supplies of vegetables, fruits, and aquatic products in large and medium-sized cities explains that open markets are apparently able to regulate production and circulation and that the law of value has forced the market to improve its operating mechanisms.

Third, the development of open markets must be compatible with the development of productivity in China at the present stage. Since the adoption of the reform and open policy, the household contract responsibility system with remuneration linked to output has been widely adopted in China's rural areas. Since this form of production is compatible with the development of productivity in China at the present stage, agricultural production has developed rapidly and production of agricultural and sideline products has increased dramatically. However, the majority of the 900 million peasants in China's rural areas are still operating independently and with manual labor, and large, socialized production cannot possibly be organized in the foreseeable future. Thus, open markets are in line with the development of commodity economy in rural areas because they can be established anywhere; commodities produced by collective and independent operators can be traded there, regardless of quantities; transactions are direct; and information is available on a timely basis.

Government To Introduce 'Quality Mark' for Goods

*HK0503025692 Beijing CHINA DAILY in English
5 Mar 92 p 3*

[By staff reporter Ma Zhiping: "Consumers Can Trust the Mark of Quality"]

[Text] The Government is introducing a quality mark for manufactured goods to help inspire more consumer confidence in Chinese-made goods.

Industrial enterprises producing quality commodities for daily use will be able to apply for the Fangyuan Quality Mark Certificate this year.

The quality authentication, which will be carried out by the China Certification Committee for Quality Mark under the State Bureau for Technical Supervision, covers most products for domestic use.

The committee is a third-party department set up last September following the issue of the management regulations on product quality authentication by the State Council last May.

"The committee, whose Fangyuan quality mark has been registered at the International Standardization Organization, will carry out quality mark certification on a voluntary participation basis, on behalf of the State.

"Products which have reached State or trade standards are qualified to apply for certification," said the official.

The Fangyuan mark, a square sign with a circle in it and Chinese characters of qualification and security written within the circle, is based on an ancient Chinese saying that "a square wouldn't be a square and a circle wouldn't be a circle if there were no rules."

"Product quality authentication is complicated and authentic social departments will be entrusted to work out comprehensive standards in accordance with international, State and ministry standards," the official said.

He said strict judgments would be made to applicants before they were awarded quality certificates from the committee. Products granted the Fangyuan quality mark will be exempted from any other checking except those required by State legal and administrative regulations.

Six local certification stations are being set up in Shenyang, Xian, Beijing, Nanjing, Chengdu and Guangzhou, offering certification services to products made by local factories, including those by joint ventures for the domestic market. In the case of export goods, enterprises should apply for the Fangyuan certificates directly from the Beijing-based committee, the official noted.

Experimental product quality certification is being made in Guangzhou, including products from the Shenzhen Special Economic Zone.

English Version of Book on Economy Planned

*HK0203090092 Beijing CHINA DAILY in English
2 Mar 92 p 5*

[By Yin Jiafei: "Experts View the Economy"]

[Text] The first two volumes of a monumental work on economics have just been published.

Entitled *My Views on the Economy*, the five-volume book will explore the way forward for a socialist economy by presenting academic views, economic analyses and suggestions from 100 of the best-known contemporary Chinese economists and academics.

A condensed English version of the book is planned after publication of the five volumes is completed in August.

Published by the Jiangsu Publishing House, the three-million character book puts together almost all the important views and research results on economics of the past four decades, based on the economic activities of the People's Republic since it was founded in 1949. More importantly, it is also an academic summary of the 10 years and more of economic reforms in the socialist system which started in 1979. She Mengren, deputy editor-in-chief of the publishers, said at a recent seminar on the book.

Rather than presenting a book of purely theoretical value, full of concepts and theorizing, all the contributors try to tackle economic problems facing the socialist economy today and provide new answers, said She. The influence of the book may spread well beyond China's borders, he predicted.

Instead of being assigned topics, contributors have been free to choose their own topics, usually subjects on which they have done extensive research over the years.

Some articles are about what "A socialist economy with Chinese characteristics" really means; others outline new ideas about deepening economic reform and opening the door wider to the outside world; while still others try to work out ways to set up economic systems and mechanisms which will help the development of the mixed economy, that is, the combination of planning with market forces.

Contributors include both well-established senior economists and academics and promising and creative young scholars. The names of Ma Hong, director of the Development and Research Centre of the State Council; Yu Guangyuan, member of the Academic Council of the Chinese Academy of Sciences and Li Yining, professor at Beijing University, can be found among the contributors.

The book could serve as a valuable reference work for the country's policy-makers as well as an important source of material for academic research, one participant at the seminar said.

Publication Set for First Securities Magazine

HK0403012892 Hong Kong ZHONGGUO TONGXUN
SHE in English 1135 GMT 3 Mar 92

[Text] Beijing, March 3 (HKCNA)—China's first authoritative magazine, "Security Investment Weekly", with specific information on nationwide market quotations and trends and the furnishing of information and policies of relevant state institutions is to be published in Beijing starting in the middle of March.

The magazine, edited by the Research and Design Centre of the Securities Market of China, will supply investors at home and abroad with market commentaries with timely and objective basic and market analysis. It will also report on typical market data from the Shanghai

Securities Exchange, Shenzhen Securities Exchange and on the automatic quotation system from securities exchanges nationwide.

The securities markets in China are now quite active. Trade volume for Shanghai's and Shenzhen's securities exchanges and the nationwide automatic quotation system reached RMB [Renminbi] 14.3 billion after only one year's operation, directly involving 3 million people.

Experts predict that there will be great development in China's securities market in 1992.

Expert Estimates Risks of Three Gorges Project

HK0403100592 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0917 GMT 27 Feb 92

["Special dispatch" by Shi Chuan (4258 1557)]

[Text] Guangzhou, 27 Feb (ZHONGGUO TONGXUN SHE)—Directed against foreign media remarks that China's highest policy makers were irresolute on the Three Gorges project issue because of the nuclear threat by enemy countries, a mainland defense expert pointed out: The nuclear threat is not a decisive factor in the Three Gorges project. After research and experiments, project experts have worked out a complete set of corresponding emergency measures to ensure the war-time safety of the river's lower reach where the Three Gorges project will be situated.

It is reported that foreign media published an article stating that if the Three Gorges project was destroyed by an enemy nuclear attack, all the provinces and cities in the Chang Jiang's middle and lower reaches would be inundated. After this serious wound, it would be very difficult for the Chinese nation to rise to its feet again.

As the defense expert disclosed, the nuclear threat is one of the major factors that the Three Gorges project designers have taken into account, and the military authorities and Three Gorges project designers have conducted research on this for 30 years. In 1959, with Zhang Aiping, then deputy chief of the General Staff and minister of the Commission of Science, Technology, and Industry for National Defense, taking command, over 60 experts from the Military Engineering Academy and engineers of the Military Commission, the Navy, Chang Jiang Irrigation Office, Chinese Academy of Sciences Institute of Mechanics, Harbin Engineering and Mechanics Institute, and Qinghua University, conducted explosive experiments in the water, air, and as a directly hit target. In 1964, an experiment on the effect of nuclear weapons was also conducted in Xinjiang. In 1982-88 alone, more than 200 experiments were carried out, and a large volume of scientific data was collected.

The defense experts pointed out: Once a war begins, the mainland's hinterland is not easily accessible to enemy bombers, and damage to the dam structure by conventional bombs would be limited and not terrible.

Although nuclear attack is terrible, it is extremely difficult to launch a surprise attack with nuclear weapons, as they cannot be launched as one pleases; the enemy has to take precautions, lest it should suffer itself, such as the evacuation of its population, and so on. Having advance warning, the Three Gorges project will be able to release the water to a safe level in seven days. Mao Zedong was worried about the nuclear threat in those years when China and the Soviet Union fell afoul of each other, but it is a multipolar world now. Though there is still a possibility of nuclear weapons from the former Soviet Union, there is no reason to believe that the present world situation is more dangerous than that in the 1960's.

The Three Gorges project designers have also considered a war without any prewarning. From an estimate during the flood season, the reservoir usually remains at the low water level of 145 meters. If the dam bursts at this time, it will produce a flow capacity of 1 million cubic meters per second. The river course below the dam can only handle 60,000 cubic meters per second, but there is a narrow valley below the dam, 20 km long and about 300 meters wide, with three river bends of 90 degrees. Thus, the suddenly bursting water's strength will be substantially restricted. When it reaches Nanjinguang, 85 percent of the flood peak will have been slowed. The analysis of the estimates shows that under the above circumstances, only 40 percent of the water will remain and overflow onto the farmland from Shashi onward.

Moreover, although the flood caused by a sudden bursting of the dam is more violent than a natural flood, its total volume is comparatively smaller. Even at the high water level of 160 meters in the nonflood season, the impact of floods caused by a sudden bursting of the dam will only be limited to the surrounding dikes of Jing Jiang within Hubei Province. Shashi city and the huge Jing Jiang dam will be safe, and Hunan Province will be generally unaffected. The disaster-afflicted area is approximately 4 percent of that hit by the floods in 1954.

The defense expert also analyzed: During wartime, if the enemy deliberately makes things mysterious to create confusion in our positions, we have methods to cope with that. Just before a war starts, the Three Gorges reservoir's water level will be rapidly reduced to 145 meters, and the project can still play its role at this time. In case of a particular emergency, the reservoir's water level will fall to 130 meters. While the Three Gorges key project's normal operation is affected, electric power generation can still work normally, though the generated energy is lowered and lighters should be used for passenger and cargo transportation across the dam. When the reservoir water level is at 130 meters, the reservoir will only hold 10.3 billion cubic meters of water. If the dam bursts, the flood water will generally flow away along the river bed and cause no damage. Besides, the analysis also shows that by 2015, the proportion of the electric energy produced by the Three Gorges will be 8.4 percent of the total production in eastern and central China. Therefore, even if it is destroyed, the destruction

will not be great enough to bring about a serious energy crisis to the mainland's industry as a whole.

Provincial Banks Enjoy High Business Volume

OW0403091692 Beijing XINHUA in English
0837 GMT 4 Mar 92

[Text] Fuzhou, March 4 (XINHUA)—Since the mid-1980s, the central government has allowed several coastal provinces to set up local banks in a bid to adjust the local financing system in line with the development of economic reform and opening to the outside world.

The Fujian Xingye Bank in east China's Fujian Province, which opened in 1988, was one of the first local banks set up in China. It is solely funded and run by the provincial government. In the past four years the bank has boosted its total capital to 599.69 million yuan from 330.76 million in 1988.

By the end of 1991 the total amount of savings deposits in the bank exceeded 1.18 billion yuan, and the credit deposits exceeded 1.57 billion yuan.

In the past four years the bank has provided more than 4.7 billion yuan in credit loans to many key projects in the province, including the construction and technological renovation of the Fujian Oil Refinery, the Xiamen Gaoji Bridge, the Sanming Iron and Steel Plant and the Shunchang Cement Plant.

With the loans provided by the bank, local industries in the backward regions in the province, such as Changtai and Zherong counties, have grown rapidly.

With the approval of the central bank, the Xingye Bank has opened all kinds of foreign exchange services, and set up business ties with 59 overseas banking institutions.

Previously, the Central Bank and State Planning Institute controlled the application and distribution of loans to key construction projects. But it has been found that local banks are an effective way to collect idle funds in the hands of local units and individuals. It is reported that Chinese citizens now have a total of over 900 billion yuan in savings deposits and 200 billion yuan in cash.

The Fujian Xingye Bank is fully responsible for the management and capital balance of its business, thus bearing all the risks and profits by itself. It has set up offices and savings branch banks throughout the province.

Without using a single cent from the government, the province has completed a number of key construction projects, thanks to the co-operation of the Xingye Bank.

Local banks are growing rapidly in other open coastal provinces such as Guangdong. They are trying to compete with the branches of state-run banks not only in credit loans, but also in other services such as savings deposits.

Opening to the outside world and introduction of foreign investment are other factors in the rise of local financial

institutions. Xiamen City, in Fujian, now has more than a dozen foreign branch banks and offices, the highest number for one city in the country.

Daily Reports on Economic Development of Jiangsu

OW0303081792 Beijing XINHUA in English
0746 GMT 3 Mar 92

[Text] Beijing, March 3 (XINHUA)—The strategy of "relying on science and technology to help Jiangsu prosper" has greatly accelerated economic development in this eastern Chinese province, the PEOPLE'S DAILY [RENMIN RIBAO] reported today.

The newspaper said technical progress has helped the province realize a yearly additional 60 percent increase in its industrial output value, 50 percent increase in profits and taxes, and 45 percent increase in agricultural output value; the last figure is 10 percentage [as received] higher than the national average.

To take full advantage of its scientists and technicians, in 1988 Jiangsu decided to implement the new strategy of "relying on science and technology to help Jiangsu prosper".

Eleven cities and more than 50 counties in the province have worked out concrete plans to implement the strategy. Special assigned cadres are in charge of scientific and technological work at county, township and village levels.

Different localities have also increased their investment input in scientific and technological progress work, building up a multiple-channel scientific and technological input mechanism.

Over the past three years, the province has issued 490 million yuan in credits for scientific and technological progress. In 1990, large- and medium-sized enterprises in the province raised 650 million yuan by themselves for the technical development. In the meantime, the province has also been granted 70 million U.S. dollars of loans from the World Bank for its technical progress work.

The implementation of the new strategy has sped up the development of the province's industry and agriculture, said the newspaper. For instance, over the past several years, the province has spread more than 10,000 items of new technologies in industrial enterprises. It has also achieved over 200 major scientific and technological achievements in agriculture, bred 77 new varieties of various crops. And the number of various technological and economic contract conglomerates also grows to over 1,100.

The past efforts have also greatly promoted high-tech development in the province. Among all, the development of the micro-electronic industry is most eye-catching. The output of integrated circuits in 1990 was

35 million pieces. Moreover, 25 hi-tech products of the province have become winners of state prizes, the newspaper added.

Guangdong Economic Zone Aims To Help Poor Area

OW0403014592 Beijing XINHUA in English
0048 GMT 04 Mar 92

[Text] Beijing, March 4 (XINHUA)—The first economic development zone in China to help boost the economy of a poverty-stricken area was established in February in Qingyuan City, Guangdong Province.

The "CHINA YOUTH DAILY" reported that construction has started on the first batch of 21 projects. They have the support of business interests from Hong Kong, Singapore, the United States, Guangzhou and Shenzhen.

A local government official said that the experimental zone is about 9.7 sq [square] km in area and 66 km from Guangzhou, the capital of Guangdong Province. Investors are assured of various preferential terms. The poor counties or towns will retain all the profits and taxes if they run enterprises in the experimental zone. And the employees will mainly be enrolled from the poor areas, except for management and technical personnel.

The Yuanfeng chemical fiber plant is run by the Qingyuan Textile Industry Corporation and Yangshan County, a poor county, with the co-operation of Hong Kong. The total investment is 200 million yuan, half of which has been invested by the Hong Kong party.

The government official said that it is estimated that the plant will create 50 million yuan in profits each year. It can employ 100 workers from Yangshan County and turn over 10 million yuan to the county government each year, which equals half the annual revenue of the county.

The official said that the establishment of the Special Economic Zone for supporting poor areas will not only help farmers get rid of poverty, but also raise the cultural level and skills of local farmers.

Government To Protect 'High-Yield' Farmland

HK0403053292 Beijing CHINA DAILY in English
4 Mar 92 p 1

[By Liang Chao: "High Yield Farmland Under New Protection"]

[Text] Because there is limited fertile farmland in western China's underdeveloped areas, priority will be given to high-yield farms and arable land in suburbs of large cities.

Accordingly, national and local agricultural production centres will be included in the preservation programme, which will also protect land for agricultural research and experiments and farms that supply vegetables to residents in large cities and mining areas.

To further stabilize China's current farmland, the government has urged farmers to avoid using land for construction, even for major State projects.

Since 1987, pilot farmland protection zones have been set up in almost 300 counties in 27 provinces.

So far, the pilot programme has led more than 10 provinces to issue their own land protection regulations, and more will follow suit, SLA [State Land Administration] official's said.

The State Council described its experiences as "halting the rampant land occupation, preventing the limited high-yield farmland from being lost and ensuring the land consumption by the increasing population."

The programme has encouraged farmers to invest in raising grain output after China's rural economic reforms.

It also helped the government, by specifying cultivated land preservation zones, to co-ordinate its future land budgets.

To combat its growing population and dwindling arable farmland, China—which must feed 22 percent of the world's population with only 7 percent of its arable land—is taking dramatic steps to protect high-yield farmland. Although the decrease of arable land is now under control, commercial building in recent years has covered farmland that once yielded large, stable harvests.

This "has cut grain rations for residents in certain areas where people had been more than self-sufficient in grain," warned State Land Administration (SLA) officials.

The situation inspired the State Council, China's highest governing body, to extend mandatory preservation to all high-yield farmland over the next two years.

However, the protected farm zones, according to a State Council decree released yesterday, will be specified individually based on their economic conditions.

Central China, one of the country's most important farming areas, has been marked for preservation, as well as eastern provinces with less land and growing populations.

East Region

Anhui CPPCC Committee Session Opens

OW0503093292 Hefei Anhui People's Radio Network
in Mandarin 1100 GMT 4 Mar 92

[From the "Provincial Hookup" program]

[Text] The Sixth Anhui Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] ceremoniously opened its fifth session at Hefei's Jianghuai Theater this morning. The CPPCC emblem was hung over the rostrum, and 10 Red Flags were hoisted on both sides. Fresh flowers were displayed in front of the rostrum. High over the rostrum hung an eye-catching banner written with the words: "Further Emancipate the Mind, Deepen Reform, Open Wider to the Outside World, and Strive to Achieve the Magnificent Goal of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development!"

Shi Junjie, chairman of the provincial CPPCC committee; Xu Leyi, Wang Zenong, Ma Leting, Teng Maotong, Meng Yiqi, and Zhao Huaishou, vice chairmen of the committee, attended the session; they were seated in the front row on the platform. Shi Junjie and Teng Maotong acted as today's executive chairmen.

Provincial party, government, and military leaders, including Lu Rongjing, Wang Guangyu, Meng Fulin, Yang Yongliang, Hou Yong, Liu Guangcai, Zhao Baoxing, Shi Lei, Chen Guanglin, Fang Zhaoxiang, Zheng Rui, Ying Yiquan, Kang Zhijie, Chen Tingyuan, Chen Tianren, Du Hongben, Long Nian, Du Yijin, Shen Shanwen, (Zeng Yucai), and Hu Yongfeng went to the session to extend greetings. They were also seated on the platform.

Also seated on the platform were (Sun Zongrong), Li Qingquan, Zhu Nong, (Ding Jizhe), (Li Jixiang), (Tai Dengbang), and other veteran comrades, as well as (Li Mingjun), (Cheng Zhixie), (Yin Shuxin), and members of the Standing Committee of the Sixth Anhui Provincial CPPCC Committee.

At 0830 [0030 GMT], Chairman Shi Junjie declared the opening of the session.

[Begin recording Shi Junjie] Members of the provincial CPPCC committee, the fifth session of the Sixth Anhui Provincial CPPCC Committee now goes into session. [Applause] The committee has 714 members. Attending today's session are 597, constituting a quorum. The main agenda of this session is to hear and examine the work report of the Standing Committee of the Sixth Anhui Provincial CPPCC Committee and a report on the handling of motions; to observe the fifth session of the Seventh Anhui Provincial People's Congress; to hear and discuss the report on the work of the provincial government; to discuss an outline of Anhui's 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development as well as other reports; and,

finally, to elect additional vice chairmen of the provincial CPPCC committee and members of its Standing Committee. I hope that all members of the provincial CPPCC committee attending this session will act with a great sense of responsibility toward the party and the people; carry forward the spirit of treating each other with all sincerity and sharing weal and woe; closely follow the party's basic line of comprehensively implementing the central task of economic development, adhering to the four cardinal principles, and carrying out reform and the open policy; pool their wisdom; and strive to make this session successful in order to contribute to emancipating the mind, deepening the reform, opening wider to the outside world, accelerating Anhui's economic development, promoting the development of spiritual civilization and social stability, and consolidating and developing a broader patriotic united front. Let us make it a session of democracy and unity. Now let us all rise. Play the national anthem. [The national anthem is played] Now, let us take up the first item on our agenda, that is, approving the agenda of the session. [end recording]

The session approved the agenda of the session. Then, Vice Chairman Teng Maotong delivered the work report of the Standing Committee of the Sixth Anhui Provincial CPPCC Committee. Vice Chairman Zhao Huaishou delivered a report of the Motions Committee on the handling of motions since the fourth session of the sixth provincial CPPCC committee.

Members of the CPPCC National Committee in Hefei and responsible persons of the various departments of the provincial CPPCC committee, the United Front Work Department of the provincial party committee, and the United Front Work Departments of the various prefectural and city party committees observed the session.

Chen Guangyi Discusses Reform, Opening Up

HK0503063592 Beijing ZHONGGUO XINWEN SHE
in Chinese 1143 GMT 4 Mar 92

[Text] Fuzhou, 4 March (ZHONGGUO XINWEN SHE)—When interviewed by this reporter yesterday, Chen Guangyi, secretary of the Fujian Provincial CPC Committee, said that to deepen reform and open up wider to the outside world, first of all, it is necessary to further emancipate the mind. Fujian will hold a provincewide symposium in the near future on further emancipating the mind.

Chen Guangyi said: First, to emancipate the mind and change concepts, we must intensify the awareness of opening up. We must open up to the outside world at multilevels and in all directions and put into effect this awareness of opening up in the development of the export-oriented economy. He pointed out: Since reform and opening up, Fujian's economy has developed rapidly, and the GNP has increased by an annual average of more than 10 percent over the past 10 years or so. What we have depended on are the continuous emancipation of thoughts and changes of concepts.

Second, he said, we must intensify the concept of reform. There is no ready-made road for reform and opening up. As a comprehensive experimental region, Fujian must dare to open a new path with a pioneering spirit in light of its own characteristics.

Third, he said, we must strengthen our concept of markets. It is necessary to push enterprises into the markets in line with the requirements of the law of value. Without the concept of markets, there would not be the concepts of competition, effectiveness, quality, results, development, aggressiveness, and so on.

Chen Guangyi said: We must strive to achieve a second leap in ideology through discussions to develop the macroclimate for in-depth reform and opening up in a wider scope. On one hand, the reform experiences, which have proven to be effective, must be widely spread in Fujian's current reform, such as the "four relaxations of control" in commerce, state enterprises' internal shift of mechanism, and smash of "three irons" (iron bowls, iron chairs, and iron wages). The small state enterprises can even relax control to a greater degree. On the other hand, we must energetically carry out experimental work for in-depth reform, such as the experiments of enterprise share-holding system and the introduction of the foreign-invested enterprise mechanism in state-owned enterprises. It is necessary to seize every opportunity to develop a whole stretch of land and take this as an important pattern for Fujian's current opening up. In this connection, efforts should be made for new breakthroughs. Not only should we develop the land of one to two square km but, when conditions exist, we should develop stretches of land in a larger scale, to bring about the macroclimate for the omnidirectional reform and opening up.

Chen Guangyi stressed: It is necessary to further promote the great change of organs' functions. He pointed out that the change of organs' functions was a vital link in the coordinated reform. Enterprises must change mechanisms, and administrative organs must change their functions and style. They must combine these changes with the coming symposium on further emancipating the mind to find out their own gaps and effective ways of solving their problems to remove the anxieties and overcome the difficulties of the grass-roots units and provide better service to improving reform and opening up.

Jiangsu CPPCC Committee Session Opens 4 Mar

OW0503093192 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 4 Mar 92

[From the "News" program]

[Excerpts] The fifth session of the sixth Jiangsu provincial committee of the Chinese People's Political Consultative Conference (CPPCC) opened ceremoniously in Nanjing on the morning of 4 March. [passage omitted]

Seated on the rostrum were Sun Han, chairman of the provincial CPPCC Committee, Vice Chairmen Luo

Yunlai, Chen Minzhi, Chen Suiheng, Liu Xinghan, Zhang Chenhuan, Peng Sixun, Xu Yingrui, Han Wenzao, and Tong Fu. Ding Guangxun, vice chairman of the CPPCC National Committee; Jiang Weiqing, member of the Central Advisory Commission; and leading comrades of the provincial party committee, the advisory committee, the provincial people's congress standing committee, and the people's government, including Shen Daren, Chen Huanyou, Han Peixin, Sun Jiazheng, Cao Hongming, Zhou Ze, Li Zhizhong, Xing Bai, Zhan Yaohua, Tang Nianci, Qin Jie, Ling Qihong, Wu Xijun, Dai Shunzhi, as well as the veteran comrades who had played a leading role in the past in the provincial CPPCC, including Qian Zhonghan, Gong Weizhen, Wei Yongyi, Zhu Hui, Chen Yusheng, Chen Zhonglie, Deng Haoming, Gao Juefu, and Chen Bingwen were also seated on the rostrum.

At 0900 [0100 GMT] in the morning, the meeting began to the strains of the magnificent Internationale [as heard]. Luo Yunlai, vice chairman of the provincial CPPCC Committee, who presided over the meeting, declared the session open.

Shen Daren, secretary of the provincial party committee, spoke at the meeting. After fully affirming the work of the provincial CPPCC Committee in the previous year, he explained several focal points that are to be grasped in economic construction, reform and opening to the outside world in the current year.

[Begin recording Shen Daren] First, the tasks that we have drawn up are very arduous. We must confer and do everything possible to work together and find ways to carry out these tasks. Here, I would like to put forward my suggestions and express my hopes on a few points to the various CPPCC organizations at all levels and members of the advisory committees throughout the province. The various provincial CPPCC organizations should, in accordance with their respective tasks, organize and lead the ... [words indistinct] and members to closely unite under the party's basic line, channel and unify our thinking to this basic line.. [words indistinct] and work in unity and full cooperation. The CPPCC organizations throughout the province should further enhance their consciousness of self-reliance and make further contribution to implementing reform and...[words indistinct] in our province. The provincial party committee and government must consciously show their concern and help the CPPCC resolve the various problems as far as possible. [end recording]

Shen Daren also called on the CPPCC committees at all levels to fulfill the functions of political consultation and democratic supervision in a thorough manner, and push forward socialist political construction in a democratic way. It is necessary to make due preparation for the election of the new committee next year, and continue to strengthen the self-development of the CPPCC; party committees at various levels must attach great importance to the role of the CPPCC organizations, take the initiative in showing their concern and help the CPPCC

resolve practical problems as much as possible, strive to improve the working condition of the CPPCC, and enthusiastically support the CPPCC in carrying out the various tasks.

Entrusted by the the Standing Committee of the sixth Jiangsu provincial CPPCC Committee, Sun Han, chairman of the provincial CPPCC Committee, made a work report at the meeting.

[Begin recording Sun Han] In the past year, the provincial CPPCC Committee had centered on the major tasks of the provincial party committee and government, and strengthened the ties between the party and the various democratic parties, people's organizations, patriotic personages without party affiliations, and people of all circles, and further fulfilled the functions of political consultation and democratic supervision, and thus achieved remarkable results. In the new year, the work of the CPPCC, must, in accordance with the demands set forth by the provincial party committee, tackle the various problems and properly carry out the various tasks, centering on the goals and tasks of economic construction and social development. Currently, the most important task of our CPPCC and CPPCC committees at all levels is to thoroughly study and fully understand the party's basic line. This is to meet the requirement of pushing forward the socialist modernization drive with a single heart and mind. It is also to help enhance our quality of work and ensure doing our various tasks well. [end recording]

While touching on how to contribute to the economic construction and social development in our province, Sun Han said: First, we must, centering on the guiding principle and focal points of this year's work put forward by the provincial party committee, organize the various relevant activities in a planned way and carry out consultations and discussions. Second, in carrying out study and discussion on some major issues, we must strive to put forward more substantial views and constructive suggestions. Third, all political consultation and democratic supervision activities for the current year must be further carried out in a systematic and planned way so as to enhance their quality and efficiency.

(Sun Fuzhong), chairman of the Motion Committee of the provincial CPPCC Committee, made a report on the work of handling the various motions since the fourth Session of the sixth provincial CPPCC Committee.

Shandong People's Congress Session Opens

SK0403145592 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 3 Mar 92

[Text] The 27th Standing Committee meeting of the seventh provincial People's Congress opened at the south meeting room of the Zhenzhuquan People's Hall on 3 March.

The major items on the agenda are to relay and study documents of the CPC Central Committee, hold by-elections for deputies of the Seventh National People's Congress [NPC], listen to and discuss a report of the credentials committee of the seventh provincial People's Congress Standing Committee on the qualifications of the deputies selected in by-elections, vote on the suggested draft on the readjustment of the draft namelist of the presidium of the fifth session of the seventh provincial People's Congress, and decide on the personnel appointments and removals.

Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the opening ceremony on the morning and relayed the documents of the CPC Central Committee.

At the meeting, the committee members listened to a report given by Xu Jianchun, chairman of the Credentials Committee of the provincial People's Congress Standing Committee, on the qualifications of the deputies selected in by-elections; listened to an explanation given by (Xu Quanmeng), secretary general of the provincial People's Congress Standing Committee, on the by-election of deputies to the seventh NPC session; and listened to a report on accepting the request of Yang Chuantang to resign from his post as a member of the Shandong Provincial People's Congress Standing Committee.

At the session, (Xu Quanmeng) read a report of the chairmanship meeting of the provincial People's Congress Standing Committee on the duties of the responsible personnel of the organs of the provincial People's Congress Standing Committee to be appointed at the meeting. (Yang Chuansheng), deputy director of the provincial Personnel Bureau, read a report given by Governor Zhao Zhihao on the duties of the provincial government personnel to be appointed or removed at the meeting.

In the afternoon, the committee members held group discussions on all reports and the relevant draft decisions. Attending the meeting were Lu Hong, Xiao Han, Wang Shufang, Xu Jianchun, Zeng Chengkui, Li Ye, and Ma Xutao, vice chairmen of the provincial People's Congress Standing Committee. Zhang Ruifeng, vice provincial governor; Yu Peigao, president of the provincial Higher People's Court; Zang Kun, chief procurator of the provincial People's Procuratorate; and responsible comrades of the provincial People's Congress Standing Committee and the relevant departments of the provincial government attended the meeting as observers.

Shandong Secretary Speaks on Enterprise Reform

SK0403222092 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 2 Mar 92

[Text] The provincial conference to exchange experiences in deepening enterprise reform and opening wider to the outside world opened in Jinan on 1 March. The conference was held to relay and study the guidelines of the instructions on accelerating reform and opening up

given recently by the central authorities and central leading comrades, to summarize and exchange the experiences in the reform and opening up of enterprises, to further emancipate the mind and unify thinking, and to study ways to accelerate enterprise reform and open wider to the outside world so as to bring about new and greater development in Shandong's economic and social undertakings.

Jiang Chunyun, secretary of the provincial party committee, gave a speech at the conference. Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, chaired the plenary sessions the first two days. Attending were provincial leaders; party secretaries, mayors, and commissioners of cities and prefectures; responsible persons of pertinent provincial, city, and prefectural departments; and directors and managers of relevant enterprises.

Jiang Chunyun spoke on five issues concerning Shandong's endeavors to further deepen enterprise reform and open wider to the outside world on the morning of 2 March: 1) to further emancipate the mind and successfully resolve the issues concerning ideological understanding; 2) starting with the work to eliminate the common big pot, iron rice bowl, guaranteed wages, and life-long tenure of posts, to quicken the pace in changing the operational mechanism of enterprises; 3) to open wider to the outside world and push more enterprises to the world market; 4) to change the functions of governments and provide a good environment for reform and opening up; and 5) to strengthen leadership to ensure the positive and steady development of reform and opening up.

After conscientiously analyzing Shandong's economic and political situations and current domestic and international trends, Jiang Chunyun urged in his speech: Leaders at all levels and enterprise cadres throughout the province must have a strong sense of urgency, responsibility, and mission; take the initiative in judging the hour and sizing up the situation; seize the opportunity to face up to challenges; perform their work efficiently and with high quality; and quicken the pace in reform and opening up to bring Shandong's economic and social development up to a new stage as soon as possible. People in and outside the party throughout the province should achieve new and great progress in the understanding of reform and opening up, effect a new change in their ideas, and strive to create a favorable atmosphere and situation in which people bear reform and open their minds, and develop, support, and protect them.

He particularly pointed out the current issues in ideological understanding that need to be clarified. First, the issue on planning and the market. We should make it clear that to develop the socialist commodity economy, we should serve and use the market and combine the superiority of the planned economy with the enthusiasm for market regulation. Second, the issue on the nature of the common big pot, iron rice bowl, guaranteed wages, and life-long tenure of posts. The common big pot, iron rice bowl, guaranteed wages, and life-long tenure of posts

are not socialist because they make no discrimination between diligence and laziness, protect the backward, and depress the advanced. Third, the issue on the master's status. The labor contract system applied by enterprises to all their workers will not change nor weaken the status of staff members and workers as the masters. On the contrary, it will help bring the enthusiasm of staff members and workers into full play and consolidate and strengthen the status of workers as the masters. Fourth, the issue on stability, reform, and development. Fifth, the issue on developing domestic-oriented and export-oriented economies and expanding both the domestic and the world markets. Sixth, the issue on local interests and overall interests.

Jiang Chunyun emphasized: The focal point of the current enterprise reform is to change the operational mechanism, and the work in which a breakthrough should be made is to eliminate the common big pot, iron rice bowl, guaranteed wages, and life-long tenure of posts. We should be firmly determined to carry out solid work and tackle difficulties to achieve great progress in the reforms of the personnel, employment, and distribution systems. In reforming the enterprise personnel system, the key is to eliminate the life-long tenure of posts and see to it that cadres can be promoted or demoted as required. Reshuffle of cadres should be frozen in enterprises operating at a loss. The major responsible persons of all the enterprises operating in the red due to poor management must not be changed, still less be transferred to other localities to shirk the responsibility. Enterprise directors and party secretaries incompetent in reducing deficits should be dismissed or demoted. Enterprise directors and managers who are competent in management and have fulfilled the contracted tasks continuously and outstandingly may be reappointed. We should eliminate the barriers between different trades, between urban and rural areas, between different ownerships, and between cadres and workers and select and promote outstanding cadres through various channels and not just one channel.

Jiang Chunyun pointed out: In reforming the employment system, breaking the iron rice bowl, and enabling staff members and workers to be employed or dismissed as required, the key lies in enforcing the all-worker labor contract system and the system under which workers wait for job assignments in the plant and in actively supporting enterprises to successfully absorb and make arrangements for their surplus personnel through various measures.

Jiang Chunyun pointed out: We should reform the distribution system, eliminate guaranteed wages, and see to it that workers' income may be increased or reduced as required. We should base workers' income on their skills, work efficiency, and contributions; reduce the amount that is fixed; and increase the amount that floats to properly widen the difference in income. We should lose no time in guiding the enthusiasm and motivation

resulting from reform to carrying out economic restructuring, achieving technological advances, and strengthening management. We should closely integrate reform, restructuring, management, and technological advances and promote them comprehensively to improve our overall quality and increase our competitive edges.

Speaking on opening wider to the outside world and pushing more enterprises into the world market, Jiang Chunyun pointed out: We should have more courage to use foreign capital, strive to expand foreign economic and technological exchanges, and further deepen the reform of the system for foreign economic relations and trade.

Jiang Chunyun urged: Party committees, governments, and administrative departments at all levels should change their functions as soon as possible and conscientiously provide good service. At present, the focal point is to enforce the enterprise law more successfully. All departments should make concerted efforts to achieve success in supporting reforms and resolutely stop arbitrary collections of fares, fines, and donations to reduce the burden on enterprises.

In conclusion, Jiang Chunyun spoke on strengthening leadership to ensure positive and steady development of reform and opening up, pointing out: Party and government leaders at all levels should attach importance to ideological work and conduct ideological education successfully to clarify some confused ideas. They should turn the endeavors to deepen reform and open wider to the outside world into the conscious action of the vast number of cadres and workers and pay attention to typical examples, performance of work, contingents, and leading bodies to promote Shandong's reform and opening up and achieve still better results to usher in the successful convocation of the 14th party congress.

Shanghai Provincial Papers Report Self-Criticism

OW0503043992 Beijing XINHUA Domestic Service
in Chinese 0245 GMT 4 Mar 92

[By reporters Cao Yongan (2580 3057 1344) and Lu Guoyuan (7120 0948 0337)]

[Text] Shanghai, 4 March (XINHUA)—The Shanghai people, who have always been proud of themselves as "the best," have recently made repeated harsh analyses of themselves.

Since the beginning of spring, the two largest newspapers in Shanghai—JIEFANG RIBAO and WEN HUI BAO—have successively published some "shortcoming-exposing" reports, either as lead stories or in prominent positions on the front page. The reports have made a thorough analysis and self-examination of Shanghai's shortcomings and problems.

Seeing the popularity of Guangdong cookies in Shanghai, people here thought they were produced with imported equipment. JIEFANG RIBAO on 12 February

published "The Secret About the Popularity of Guangdong Cookies" and thereby brought out the whole truth. To our surprise, Guangdong cookies are produced with Shanghai-made equipment. This was like a sudden clap of thunder to the Shanghai people who have wholeheartedly wanted to import equipment to compete with Guangdong.

On 17 February, JIEFANG RIBAO published another report, "Why Does Shanghai Rank Last at the Sixth East China Wrapping Design Contest?" The report incisively points out: During the first wrapping design contest of five East China provinces and Shanghai 11 years ago, Shanghai easily won the first prize. Is today's reversal of the situation due to Shanghai's low technological level, shortage of technical personnel, or structural or conceptual problems?

WEN HUI BAO on 23 February published a report, "Kaige Automobile Audio Equipment Loses Its Leading Edge." According to the report, Shanghai's Kaige-brand automobile audio equipment used to be the champion in the market, but it got only a 28-percent share in this year's Santana sedans. Such a decline makes people dejected.

The newspaper pointed out: Most of the difficulties and obstacles encountered by Shanghai during the course of reform and opening to the outside world are man-made. Some are caused by outmoded concepts that prevent people from emancipating their minds. Others are caused by irrational mechanisms that impede our progress. Still others are due to departmentalism affecting the overall situation, or due to bureaucracy and extremely irresponsible working attitudes which make people suffer economic losses. To analyze these problems is for the purpose of removing the obstacles, accelerating reforms, and developing Shanghai further.

There are always large crowds in front of public newspaper-reading stands on the streets of Shanghai. The readers often make such comments as "Newspapers today are worth reading," "Shanghai people are chicken-hearted and dare not take risks," "They are clever, but not wise," and "Their hands and feet are bound by too many ideological conventions."

The newspaper reports have aroused the attention of the leaders of some departments. Conscientiously trying to learn the problems of their departments, they said: In recent years, the fraternal provinces and municipalities have moved ahead of us. We have always taken this fact wrongly and tried to find some excuses to defend ourselves. Now it is time for us to ask ourselves sincerely such questions as whether we have fully implemented the policies which the central authorities have formulated for Shanghai, and whether we have further emancipated our minds and shown greater courage as central leaders have repeatedly instructed us to do.

Wu Bangguo, secretary of the Shanghai municipal CPC committee, pointed out more than once recently: Shanghai should further emancipate its mind, bring

forth new ideas, and constantly create a new situation of reform and opening to the outside world. It should look squarely at the shortcomings in its work, and it should not be content.

The reporters have gladly found that Shanghai cadres and people are now talking more about others and less about themselves. They have begun to abandon arrogance in self-examination.

One sociologist has commented: "Shanghai currently reveals its shortcomings while its work is proceeding vigorously in all fields. This shows that Shanghai is mature ideologically, knowing its own shortcomings and wanting to forge ahead. This is a good omen."

Zhejiang Government Leaders Attend CPPCC Opening

OW0403193892 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 4 Mar 92

[From the "Provincial News Hookup" program]

[Excerpts] The Fifth Session of the Sixth Zhejiang Provincial CPPCC [Chinese People's Political Consultative Conference] Committee opened solemnly today at the Great Hall of the People in Hangzhou. A total of 531 provincial CPPCC members walked confidently into the hall with the expectations of all people in the province. Seated on the rostrum were Shang Jingcai, chairman of the provincial CPPCC; Tang Yuanbing, Li Dexin, He Zhibin, Zhou Chunhui, Jiang Cisheng, Qiu Qinghua, Zhan Shaowen, Wang Chengxu, Ding Deyun, Xue Yanzhuang, vice chairmen of the provincial CPPCC; (Xie Lansheng), secretary general of the provincial CPPCC; Geng Dianhua, head of the united front work department under the provincial CPC committee; and members of the standing committee of the provincial CPPCC.

Provincial party and government leaders Li Zemin, Ge Hongsheng, Shen Zulun, Wang Qichao, Xu Xingguan, Sun Jiaxian, Liu Xirong, Liu Yifu, Chen Anyu, Li Yuhua, Wang Qidong, Zhu Zuxiang, Wang Yumin, Li Debao, Chai Songyue; Yuan Fanglie, president of the provincial higher people's court; and Hu Canshi, chief procurator of the provincial people's procuratorate greeted the opening of the meeting; they also seated at the rostrum. Tie Ying, member of the Central Advisory Commission; veteran comrades (Mao Qihua), (Wang Jiayang), Cui Jian, (Yi Qiyi), (Zhang Renzhi), Zhu Zhiguang, (Chen Li), (Wang Qiwu), and Yang Shilin were also invited to attend the meeting.

Chairman Shang Jingcai presided over the meeting and delivered an opening speech. He said: The fifth session of the sixth provincial CPPCC is convened under an excellent situation and at a time when the people throughout the province are earnestly implementing the guidelines set forth at the Eighth Plenary Session of the 13th CPC Central Committee and the guidelines laid down at the Sixth Enlarged Plenary Session of the Eighth Zhejiang Provincial CPC Committee, when the provincial people are persisting in the central task of economic

construction, when the pace of reform and opening is gathering speed, when we achieve political and social stability, and at a time when we make steady economic development. He expressed the hope that provincial CPPCC members would actively advance suggestions on state affairs and would in a spirit of promoting our country's socialist modernization construction make the meeting a meeting that emancipates minds, helps deepen and enlarge reform, seeks practical results, stresses efficiency, that will earnestly implement various policies; he also expressed the hope that the meeting will be a meeting of unity, a meeting that strives ahead, and a meeting of victory.

The meeting adopted the agenda for the fifth session of the sixth provincial CPPCC. Vice Chairman Tang Yuanbing delivered a report of the Standing Committee of the provincial CPPCC committee. The report pointed out: Since last year, the provincial CPPCC committee have earnestly implemented the guidelines set forth at the Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee, at the Central Working Conference, further implemented the opinions of the CPC Central Committee on persisting and improving the multiparty cooperation and the system of political consultation under the leadership of the Communist Party of China, as well as the guidelines laid down at the National Conference on the United Front Work. [passage omitted]

The report mentioned the tasks that the current term of CPPCC will fulfill this year. [passage omitted]

(Dai Guang), director of the provincial CPPCC proposal committee, reported on proposal work since done the fourth session of the sixth provincial CPPCC. A ceremony to commend excellent proposals and proposal activists since the third session of the sixth provincial CPPCC was held following the report on the proposal work.

Qiu Qinghua, vice chairman of the provincial CPPCC committee, spoke at the ceremony. Li Zemin and other provincial party and government comrades awarded prizes to members who were commended.

Central-South Region

Zhao Fulin on Increasing Aquatic Production

HK0503053792 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 2 Mar 92

[Excerpts] Recently, having listened to a report by (Zhao Shichao), chief of the Regional Aquatic Production Bureau, regional party Secretary Zhao Fulin made an important speech.

First, he affirmed the achievements scored in our region's aquatic production work over the last few years, saying that it has made relatively great strides, then he put forth several opinions on further developing aquatic production:

1. We must further emancipate our minds and correctly understand the superiority and potential of our region's aquatic production.

Zhao Fulin expressed appreciation of the four re-understandings put forward by the regional Aquatic Production Bureau. He said: We have a lot of things to do, and the first priority is to concentrate our efforts on economic construction and improving the economy. The important thing to do in improving the economy is to further emancipate our minds, which means persisting in seeking truth from facts; and in order to seek truth from facts, we must correctly understand regional conditions and correctly understand and analyze the strong points and potential of our region's aquatic production. The objective situation continually changes. Overall, in the past we pursued the product economy, and now we pursue the socialist planned commodity economy. Aquatic production is a case in point: Some aquatic products which were not worth anything in the past now can fetch a price; those which were not salable are now in hot demand; and those which could not be exported are now being exported, and so on. The seeking of truth from facts we are talking about means basing the principles of our work on the actual and changed situation.

2. To develop aquatic industry must have a correct development policy. Zhao Fulin said: In view of our region's practical situation, this means that aquatic industry will feature chiefly aquaculture and pay equal attention to both seawater and freshwater produce and actively develop oceangoing fishery. We have not only extensive inland waters but also the sea along the south coast. We have 1,595 km of coastline and 128,000 square km of water areas and great potential for the development of fishery. We must strive to improve oceangoing fishing and aquaculture; and we must develop freshwater fishery. Both must be grasped and improved at the same time. The overall demands are emancipating minds, giving play to superiorities, and fighting for four years to 1995, when the catch should be 700,000 tons, reaching over 1 million tons by 2000.

3. We must formulate policies with the aim of increasing motivation and mobilizing the enthusiasm of all sectors and localities. [passage omitted]

4. We must grasp participation. Zhao Fulin said: First is the participation of the masses. As long as there are preferential policies and the results of development projects are good, there will be more participation by the masses. [passage omitted]

5. We must grasp well scientific research. Zhao Fulin said: Whether freshwater or seawater, or oceangoing fishery, they must all grasp well scientific research and pay great attention to increasing the motivation of the broad mass of cadres responsible for science and technology and giving play to their talents. We must popularize good breeds, methods and fodder; in so doing we will get twice the result with half the effort

Guan Guangfu Inspects Economic Development Areas

HK0503060992 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 3 Mar 92

[Excerpts] Provincial party committee Secretary Guan Guangfu led persons in charge of departments concerned under the provincial party committee and government to Huanggang, Ezhou, and Huangshi, which are located in east Hubei, through which the Chang Jiang flows, to make investigations and studies in the problem of stepping up reform and opening in those areas from 17 to 20 and 26 to 29 February respectively.

After thorough investigations and studies, Guan Guangfu stressed: At present, Hubei, which is located in the middle reaches of the Chang Jiang, is facing a new opportunity for reform, opening to the outside world, and development. Wuhan City has gone into action. The triangular area in east Hubei has formed a group of open and development areas where the situation is gratifying. It is necessary for us to further free ourselves from old ideas and seize the opportunity to accelerate the opening and development in this area, pushing forward Hubei's reform and opening to a new stage and striving for new victories.

Accompanied in turn by (Liu Rongli), secretary of the Huanggang Prefectural CPC Committee; (Wu Fating), secretary of the Ezhou City CPC Committee; Mayor (Huang Changtai); and (Chen Jiajie), deputy secretary of Huangshi City CPC Committee and acting mayor, Guan Guangfu inspected the (Huangzhou) economic and technology development area, (Tuanfeng) Town in (Huangzhou) City, (Xingzhou) Town in (Jichun) County, the (Gedian) economic and technology development area, and foreign-funded enterprises in (Echeng) and (Huarong) Districts, Ezhou City, and so on.

In some enterprises in the above places, Guan Guangfu met with Japanese, Taiwan, and Hong Kong businessmen to extend a welcome to them. He told the businessmen: Our reform and open policies will remain unchanged for a long time. Hubei will further improve and optimize the investment environment in accordance with the central policies. We hope more foreign businessmen will cooperate with us on the basis of mutual benefit.

After listening to the reports by leaders from three prefectures and cities, Guan Guangfu gave important speeches on separate occasions. He said: My current visit to the three prefectures and cities in eastern Hubei is mainly designed to understand the situation regarding opening and development in the Chang Jiang economic development strip. Recently, leading comrades of the central authorities repeatedly said: We must take an unyielding grasp of economic construction, our central task; increase the content of reform; take faster steps in the course of opening; further free ourselves from old ideas; be bolder; and proceed at a faster pace. At present, reform and opening nationwide has assumed a new image and all localities have pitched into a new action to

carry out reform and opening to the outside world. Under the new situation, leading comrades should go down to the grass-roots units to conduct investigations and studies, learn from experiences created by the grass roots, and implement the central guidelines in a down-to-earth manner in light of actual conditions.

Through conducting investigations in Wuhan City and calling an on-the-spot work conference there earlier, and through current investigations in the triangular area in eastern Hubei, we can see more clearly how Hubei should deepen reform, open wider to the outside world, and develop the economy. The path remains the one charted by the provincial party committee six years ago, and the strategic principle was further defined in the course of our current investigations.

The Chang Jiang economic development strip should be built step by step with Wuhan as the dragon head and the triangular area comprising Huangshi, Ezhou, and (Huangzhou), which is located in east Hubei, through which the Chang Jiang flows, as the key point.

Guan Guangfu said: Reform and opening to the outside world has injected vigor and vitality into Hubei, laying a sound material foundation for deepening reform and opening wider to the outside world. The tasks before us now are to evaluate our experience, give play to our advantages, seize the opportunity, and build up new economic development areas through energetic reform and opening to make Hubei's economic undertaking prosper and develop.

We should be aware of the following favorable conditions and opportunities: 1) The Chang Jiang, whose overall length in Hubei is 1,062 km, flows through a vast area and 29 large and medium cities, where 40 percent of Hubei's population live and superior industries are concentrated, with the industrial output value accounting for 55 percent of Hubei's total industrial output value. In addition, the area boasts a vast, richly endowed countryside and brave and industrious people. 2) The broad masses of cadres and people in all localities along the Chang Jiang in Hubei, through the practice over the last few years, have greatly enhanced their awareness of the need to carry out the reform and opening policies and shown growing enthusiasm for reform and opening to the outside world. The masses have a vast reservoir of enthusiasm for socialism. As soon as that enthusiasm is released, the tide of reform and opening will be irresistible. 3) Reform and opening has helped us formulate many effective policies, accumulate a wealth of experiences, train a large number of professionals, and create a favorable investment environment. The reform and opening policies, which have been kept stable and consistent and have been continuously improved and developed, have colossal power. 4) Compared with open and development zones in coastal areas, Hubei, which is located in the middle reaches of the Chang Jiang, has the

edge over them in land, labor force, science and technology, and natural resources, which constitute potential advantages. These have a strong appeal to foreign entrepreneurs.

5) We have basically accomplished the main tasks for economic improvement and rectification and scored remarkable results. At present, we enjoy sustained, stable, and coordinated development of the economy and social stability and the people are trying to make progress. All these constitute favorable conditions for us to take faster steps in the course of reform and opening. Being conscious of these favorable conditions, the provincial party committee, following the work conference and seventh enlarged meeting of the fifth provincial party committee, has applied itself to the opening and development of the Chang Jiang economic development strip since the end of the Spring Festival. If we failed to avail ourselves sufficiently of the first opportunity brought about by the coastal areas, which took the lead in reform and opening to the outside world in the 1980's, then Hubei, which is located along the Chang Jiang, must not lose the second opportunity brought about by the reform and opening extending from coastal areas to the heartland and the area along the Chang Jiang. Opportunity knocks but once. We must seize the excellent opportunity without any hesitation and make use of all favorable conditions to make a success of the opening and development of the Chang Jiang economic development strip, pushing forward Hubei's reform and opening up.

Guan Guangfu continued: In the provincial party committee's opinion, to push forward Hubei's reform and opening up, we must first of all take an effective grasp of Wuhan, the dragon head of the Chang Jiang economic development strip. Then we will focus on developing the triangular area in east Hubei along the Chang Jiang, which comprises Huangshi, Ezhou, and (Huangzhou). The reason for the provincial party committee selecting the triangular area as the hot spot for opening and developing the Chang Jiang is that this area enjoys regional advantages and advantages in industry and natural resources. [passage omitted]

Over the last few years, one of the provincial party committee's strategies has been to integrate taking advantage of those areas endowed with favorable conditions with supporting poor areas, regarding the triangular area as the key point for opening and development. This strategy is of great importance for the two aspects. Therefore we should combine these places and build them into a group of open and development areas. While the group is composed of open and development areas, an area is composed of open and development points. By taking effective grip on the dragon head and the key point, we will be able to form an overall pattern consisting of Wuhan, Huangshi, Ezhou, and (Huangzhou), with Wuhan being surrounded by the other three, pushing forward the opening and development of the Chang Jiang economic development strip.

Guan Guangfu said: We should be aware that those areas in east Hubei through which the Chang Jiang flows, apart from enjoying common advantages in deepening reform and opening wider to the outside world, have formed their own particular characteristics through practice and discovered their own development formulas which are consistent with their actual conditions. He fully reaffirmed the formulas for opening and development created by Wuhan City and Huangshi, Ezhou, and (Huangzhou) Prefectures on their own and called on them to further evaluate their experiences to find their own positions in the overall development pattern for the Chang Jiang economic development strip, create their own characteristics by employing their own advantages, exercise their own functions, follow the principle of enhancement of strong points and elimination of weaknesses, and give play to their own prowess. Every angle of the triangular area in east Hubei must attach importance to its relations with the other angles and with Wuhan as the dragon head. They should rely upon and support each other and make progress hand in hand to achieve common prosperity. We should build open and development areas from a higher starting point and at high speed and make sure high technology forms a large proportion. We must avoid duplication of development projects and define the industrial development direction in a scientific way. We should recruit students, introduce development projects, and run economic entities in accordance with the development direction. In introducing development projects we should try to work out the best scenario by repeated assessments and making decisions in a scientific way. Only in this way can we adapt ourselves to the state's macroeconomic regulation and control, sitting tight in the fishing boat despite the rising wind and waves.

Guan Guangfu pointed out: We should run enterprises in development areas at a higher speed and have a wide field of vision in introducing development projects, paying equal attention to speed, efficiency, and potential. As far as Hubei is concerned we should give priority to efficiency and make raising efficiency our central task. However, efficiency would not be raised and would have nothing to be attached to without speed and growth in material wealth. [passage omitted]

Guan Guangfu also talked about the relationship between deepening reform and opening wider to the outside world. He said: Reform and opening to the outside world constitute an entity, but each has its own particular objectives. To carry out reform we must open the door to the outside world instead of closing the country to international intercourse, adhere to the four cardinal principles, and be bold in drawing on foreign funds, technology, professionals, managerial expertise, and cultural heritage which are useful to us. In a word, we should promote opening through carrying out reform.

Guan Guangfu stressed that accelerating the opening and development of the Chang Jiang economic development strip is a common task for the people of the whole province. Party and government leadership at all levels

should further define their guiding principles and strengthen leadership over the work concerning the opening and development of the economic development strip. Wuhan City should make further advances on the existing excellent situation and really play a leading role in the opening and development of the Chang Jiang economic development strip. Prefectures and cities along the Chang Jiang should further deepen their understanding of the situation, change their work style, make earnest efforts, and vigorously implement the party's policies, trying to achieve greater results. All departments and units under the provincial party committee and government must regard as their own responsibility the opening and development of the Chang Jiang economic development strip, enthusiastically go down to related areas to conduct investigations and studies and to find out what is happening there, and help local cadres and people overcome difficulties to contribute to Hubei's reform and opening in a down-to-earth manner.

Southwest Region

Legal Documents Show Tibet Never 'Independent'

OW0503093392 Beijing XINHUA in English
0912 GMT 05 Mar 92

[Text] Beijing, March 5 (XINHUA)—Famous Chinese jurist Yu Shutong said here today that Tibetan affairs are an integral part of China's domestic affairs.

"It has never been an international issue, nor has it been an international conflict," according to Yu, who made the remarks during an interview with XINHUA.

The professor noted that certain persons abroad claim that it is high time to negotiate the issue of the "independence" of Tibet. Yu pointed out, however, that "this conclusion not only distorts the facts, but also runs counter to historical truth."

China's sovereignty over Tibet can be proven historically and by the centuries of struggle Tibetans have shared with other nationalities in China. The truth has been proven time and again in legal documents, said Yu.

The jurist pointed out the legality of numerous documented orders and official documents concerning Tibet which were issued by the central governments of the Yuan, Ming and Qing Dynasties.

According to Yu, the Government of the People's Republic of China issued a number of orders, including the central government order instructing People's Liberation Army to enter Tibet, the 17-article agreement on the peaceful liberation of Tibet, and China's Constitution.

"The issuance of such laws and orders testifies to the fact that Tibet was and is a part of China."

Yu said that when the 17-article agreement was signed in 1951, the Dalai Lama sent a personal telegram to Chairman Mao Zedong expressing his support for the agreement.

During a meeting for the commission for the Tibet Autonomous Region, the Dalai Lama announced that from that time on the Tibetan people would be free from the enslavement and bondage imposed by the imperialists and would return to the big family of China.

According to the Dalai Lama, Tibetans, just as other nationalities in China, fully enjoyed equal rights.

Professor Yu, who has long been involved in the research of comparative law theory, and has taught at both Beijing University and the China University of Politics and Law, said that certain foreigners have cited "incorrect theories of law" to provide theoretical support for their call for the "independence of Tibet."

The professor pointed out that not a single country has recognized the independence of Tibet.

He stressed that the broad masses of Tibetans have never demanded independence from China, and therefore it is groundless to say, as certain foreigners have done, that Tibet has been independent for several decades.

Yu said that certain foreigners who harbor evil intentions towards China are attempting to discuss the issue of Tibet from the standpoint of international law.

However, said Yu, just as many similar situations concerning minority nationalities throughout the world, the search for solutions to the question of Tibet should be based on the laws of the respective country—the Tibetan question should be approached in accordance with the laws of China.

Yu pointed out that if all problems concerning the world's ethnic minorities are brought before international forums and discussed in compliance with international law it can only lead to worldwide turmoil.

He pointed out the certain foreigners are citing so-called "international practices" which are simply the result of power politics and imperialism, instead of practices based on international law.

The professor said these individuals base their judgement on various unequal or secret agreements serving the interest of imperialism.

They also used obsolete concepts such as the protectorate-dependency concept to discuss relations between China and the Tibet region. In this way, said Yu, they have become spokesmen for imperialism.

Tibet Regional Propaganda Work Conference Ends

*OW2802043092 Lhasa Tibet Television Network
in Mandarin 1230 GMT 25 Feb 92*

[Report by Ciduo Luozhong and Zhaxi Jingmei from the "Tibet News" program—read by announcer]

[Text] A regional propaganda working conference ended in Lhasa on 23 February. At the meeting, Danzim, deputy secretary of the Tibet Autonomous Region party committee, delivered a speech on further stepping up propaganda work throughout the region this year.

He said: Our party has always attached great importance to carrying out ideological work and giving play to the role of the ideology propaganda front in revolution and construction. The fact that sharp, complicated conflicts occurred at home and abroad in recent years shows that whether or not we have done a good job in the sphere of ideology has a bearing on the success or failure of the cause of our party and socialism. The complicated, changeable international situation and the glorious, arduous domestic tasks facing us at present set a stricter demand on our ideology propaganda work and determine its important position and role.

Deputy Secretary Danzim pointed out: It is necessary to step up our efforts in carrying on propaganda for the central task of promoting economic development and the need to deepen reform and open our doors wider to the outside world in an all-around way. Economic construction is the central task of the whole party and the issue at the core of our endeavor to build socialism with Chinese characteristics. All other work and, in particular, propaganda work must be carried out with this central task closely in mind from beginning to end. It is necessary for comrades of propaganda departments to conscientiously study and familiarize themselves with economic work, understand the operations and developments in every aspect of the economic sector, and aim more of our propaganda work at promoting economic construction.

He pointed out: It is necessary to continue to give prominence to propaganda on stability; to do a good job in carrying out propaganda for concentrated education in socialist ideology in agricultural and pastoral areas; to give full play to the role of mass media in propaganda and in arousing, educating, and guiding the masses; to step up propaganda and education in party building; to persist in the correct orientation for propaganda as well as public opinion; and to succeed in always making our propaganda work maintain a high degree of ideological and political unity with the party's Central Committee and to maintain the broadest and closest ties with the masses.

At the meeting, Deputy Director (Gao Yingxiang) of the Propaganda Department of the Tibet regional party committee relayed the guidelines laid down by the recent national meeting of directors of propaganda departments. Deputy Director (Gesang Namgyai) summed up

propaganda work to be conducted throughout the region and drew up a plan for implementation, and Deputy Director (Lu Xiuzhang) expressed his views on propaganda work for education in socialist ideology throughout the region.

XINHUA Views Overall Development of Tibet

OW0503055992 Beijing XINHUA in English
0309 GMT 5 Mar 92

["Round Up" entitled: "Tibet Enters New Stage of Overall Development"]

[Text] Lhasa, March 5 (XINHUA)—The on-going construction of agricultural projects in the valleys of the three main rivers in the Tibet Autonomous Region has enabled the region to enter a new stage of overall economic development.

Altogether 29 projects began construction last year in 18 counties and cities along the Yarlung Zangbo, Nyangchu and Lhasa Rivers with a state investment of 70 million yuan.

So far 14 of them have completed construction and began to generate economic results.

Included are 25 vegetable green houses in Xigaze, the second largest city in Tibet.

With a total investment of 2.1 million yuan, these houses have supplied 60,000 kilograms of fresh vegetables in 38 varieties to urban residents since October last year when they went into operation.

A survey report shows that the valleys of the three main rivers make up 45 percent of the region's cultivated areas, 85 percent of the natural grassland and more than one third of the population.

In May 1991, the State Council, China's highest governing body, approved the development of the agricultural projects along the river valleys.

According to the plan, the state will invest a record of two billion yuan in the economic development in these areas in the coming decade.

Other projects to be built in these areas include 63 projects for farm, forestry, water conservancy and animal husbandry, 13 for energy development and five for processing industry.

When these projects go into operation, they will help the valleys to become the region's hub leading in boosting the economy.

While allocating funds to help Tibet with its construction, the state mobilized about 1,000 engineers and technicians from over 20 research institutions to work in the region last year.

The Chinese Academy of Sciences has cooperated with the Tibet Regional Meteorological Bureau in setting up

plateau ecological remote sensing and monitoring systems thus not only introducing sophisticated technology to the region, but also helping it train a number of people of talent.

In addition, the development of the valleys of the three main rivers has helped change the conventional views of local people who have replaced the natural economy of businesses with small capital and self-sufficiency with large-scale cultivation of farmland and grassland and afforestation. Instead of undertaking handicraft mills, they focus on a large and modern processing industry.

As a result, people in the valleys turned out a grain output topping 250 million kilograms and raised four million head of domestic livestock last year.

The changes of production mode and scale will surely heighten the sense of Tibetan people in commodity economy and promote the regional economy.

Economic experts here predict that the development will pave the way to vitalizing Tibet's economy in the coming century.

Tibetans Profit From Traditional Handicrafts

OW0503080092 Beijing XINHUA in English
0745 GMT 5 Mar 92

[Text] Lhasa, March 5 (XINHUA)—Pulu, a pure wool hand-woven fabric used by Tibetans for hundreds of years, has become an unexpected source of wealth for Tibetans.

Zhanang County, which is situated in the middle reaches of the Yalung Zangbo River, is not only known for its dry weather and poor agriculture, but for its fine quality pulu.

Pulu, however, has not always been a source of wealth for Tibetans, and in years past the output of the product was low and serfs were required to turn most of what was produced over to the government. Nearly half of the county's population used to live in poverty.

Even though Renzheng village was the former center of trade for the traditional product, the villagers lived a hand-to-mouth existence, and the high-quality fabric was used only for daily-wear clothing. Up until the end of 1970s, the average annual per capita income of the villagers was less than one hundred yuan.

However, when China instituted economic reform in the early 1980s the fabric almost instantly became a source of earnings for the local people.

In the early 1980s, as part of an effort to help the local people escape poverty, the county government initiated a program which emphasized the production of traditional handicrafts. At the same time, the program encouraged older craftsmen to practice their skills, and to pass their skill and knowledge on to others.

In 1983, the county government invested over 900,000 yuan in a program to help over 2,200 families buy wool to produce pulu. In addition, the government organized a training program to provide over one-fourth of the county's farmers with training which would enable them to produce pulu and cadian. The latter is another ancient Tibetan handicraft involving the production of hand-woven wool cushions and mattresses which are used as covers for chairs and beds.

At present, over 40 percent of the county residents are engaged in producing handicrafts of this type, and their annual income has risen from less than one hundred yuan in the late 1970s to more than five hundred yuan in 1991.

In old Tibet most of the pulu was turned over to the central government and sales of remnants were restricted to special locations in Lhasa. In addition, most of the craftsmen engaged in the production of pulu were tied to their birthplaces for life.

Awang Qiongjue, 54, said: "In the old China, we had to spend four days and nights on the road to transport the pulu to Lhasa. Now it takes only three hours and our pulu is sold throughout Tibet."

Awang has a family of eight. Apart from less than a hectare of land, the family weave 36 rolls of pulu, which yield more than 10,000 yuan. Now the family has a separate kitchen, bedrooms and a large sitting room in addition to the family altar and storehouse. Every year at the change of seasons, the family members would put on their Western style clothes and gold and silver ornaments.

Pulu has not only brought the Tibetans wealth, but has also awakened their desire to see the outside world. And, as part of an effort to meet the needs of the farmers and craftsmen in the village, the Lhasa passenger transportation company built the village's first bus station.

Taking advantage of easy communications, Banjia, a businessman in Zedang, has done a good business in purchasing and reselling goods. Once he found that the locality lacks plywood, he bought a truck-load of the products and sold very fast. But he used the proceeds to buy an electricity generator for his fellow villagers. The village from then on no longer burned butter oil. He also spent some money buying a video-recorder and all his fellow villagers would go to his home to watch films. For this, the village was widely known as "lesser Lhasa" in the mountain valley.

The uses for pulu were at one time limited and the cloth was traditionally dyed with simple patterns in black, white and purple. Now, however, brightly colored pulu, which is made into bags, thermos coatings and quilt covers, is gaining widespread popularity with tourists from both at home and abroad.

North Region

Model Citizens Awarded by Beijing Mayor

OW0503015092 Beijing XINHUA in English
0126 GMT 5 Mar 92

[Text] Beijing, March 5 (XINHUA)—Twenty Beijing citizens, bedecked with red ribbons on their shoulders and holding fresh flowers and copper cups in their hands to symbolize brightness and justice, were commended Wednesday as the city's brave citizens who dare to fight against injustice and save people and property.

The awarding ceremony was the first held since the city initiated the program to commend courageous citizens.

Wang Hongtu, 18, was commended for braving flames to move six refrigerators, a color television set and numerous other items from a neighbors burning house. Numerous local citizens recommended Wang for the award for his bravery in saving valuable items belonging to his neighbors.

"I enjoy helping others. My teachers and classmates like me," said Wang, adding "my wish for next year is to become a university student."

Ren Zhiqing, 33, also received an award for his legendary rescue familiar to the citizens of Beijing citizens. In 1991, the young worker miraculously caught a four-year old child who had fallen from a 15-story building.

Other courageous citizens included three members of one family who risked their own lives to save their neighbor from a burning house. The three have survived though they suffered serious burns thanks to their heroic deed.

Some 54 other citizens, who were chosen from 84 candidates recommended by various districts and counties, were also cited for various acts of courage.

Mayor Chen Xitong called on the citizens of Beijing to learn from this group of courageous individuals.

The city plans to select courageous citizens on an annual basis as part of an effort to encourage city residents to resist ruffians and criminals, and help property and protect other people.

Hebei's Xing Chongzhi on Reform, Opening Up

SK0403013592 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 23 Feb 92

[Text] Xing Chongzhi, secretary of the provincial party committee, went to the eastern and northern parts of our province from 13 to 22 February to conduct investigation and study and to give work guidance. In connection with the local situation, he watched, asked questions, and talked with the masses of cadres to jointly discuss how to further emancipate thinking, to become bolder, to make quicker strides, and how to follow the party's

basic line. He also talked with the cadres on pushing further our province's urban and rural reforms and opening up.

During this investigation and study, Xing Chongzhi successively went to five prefectures and cities including Hengshui, Cangzhou, Qinhuangdao and Tangshan, Cangxian and Fengnan Counties, and Huanghua City; 17 enterprises; two villages and one development zone. Xing Chongzhi particularly touched on issues in seven aspects of the general topic of how to make greater strides in reform and opening up.

First, we should concentrate energy to aim at the center, firmly grasp implementation, and make bold explorations.

Comrade Xing Chongzhi pointed out: More than 10 years of past experience showed that the strides in reform and opening up, whether big or small, determined the rate in economic and social development. This is true regarding the economic development situation in the southern developed areas and our province's economic development situation. However, comparing the two, our province's economic development is not fast enough. This is basically caused by the fact that our strides in reform and opening up are not big, our thinking is not adequately emancipated, and the methods are few. As a result, our economic efficiency is not so good. Now we should be aware of this, and we should realize why it should be so. Only by making bigger strides in reform and opening up can we quicken economic development, and gradually narrow our gap with the advanced provinces, cities, and areas. Speaking in terms of economic work, we should strengthen agriculture and rural work, including township enterprises, and do a good job in running large and medium-sized state enterprises and local key enterprises. Now the policies and measures for economic work concerning these two aspects have been clearly defined. Only by conscientiously and meticulously implementing these measures in places where needed can we rapidly develop our economy. At the same time, we should also actively conduct explorations, create new ideas, and strive for new breakthroughs.

Second, we should further strengthen our consciousness in reform and opening up.

Xing Chongzhi said: Emancipating thinking to a further extent, becoming bolder, and making quicker strides are aimed at pushing the economy forward at a more rapid rate through reform and opening up. To achieve faster economic development, we must accelerate reform and opening up. In places where reform and opening up were firmly grasped and the strides they made were larger, their economic development was fast. This is an experience which we have gained over the past 10 years. At present, I felt that some comrades have understood the necessity of enhancing the sense of urgency in accelerating reform and opening up; some comrades seemed to recognize this, but they failed to fully understand it;

some comrades have even failed to recognize this or to fully recognize this. The issue of how to make them understand this point, strengthen their sense of urgency, and have stronger ideology and understanding needs your conscientious study.

Third, we should seek truth from facts, emancipate our minds, unite as one, and look ahead.

Xing Chongzhi said: From our visit to southern China, we can see that there is a requirement in emancipating our minds, namely to proceed from and be based on anything conducive to the development of productive forces. The emancipation of the mind is aimed at making greater strides in reform and opening up, and quicker pace in reform and opening up is aimed at achieving quicker development in production and the economy. Our purpose is to make everyone affluent as soon as possible and to fully develop the superiority of socialism. When we emphasize the need to seek truth from facts and proceed from reality in doing everything, we mean, in fact, to emancipate our minds. Emancipation of the mind is not just empty talk and cannot be divorced from the actual situation. At the third plenary session of the 11th party Central Committee, Comrade Deng Xiaoping said that we should seek truth from facts, emancipate our minds, unite as one, and look ahead. This told us that the process to emancipate our minds is one to gradually enhance our understanding of the actual conditions of China, Hebei, and various prefectures, municipalities, counties, and cities, meaning that we should put forward the specific measures for reform and opening up and accelerate economic development in line with the actual conditions of our own localities. Only when we continuously enhance our understanding of the actual conditions can we continuously emancipate our minds and achieve quicker pace in reform and opening up.

Fourth, we should neither feel satisfied with a little progress nor keep to conventional ways of doing things.

Xing Chongzhi said: The experiences and practice of some localities of Hebei showed that we should overcome the feeling of being satisfied with a little progress if we are to emancipate our minds. Some people thought that they had done pretty well when they achieved some small progress or felt very satisfied when they achieved some development after making ordinary efforts for one year. They felt confident when they became a little affluent, thinking it pretty good to have something to eat and drink and some money to spend. They had endless misgivings and feared risks if they had to make more investment and develop some new projects. We should try to make policy decisions in a more democratic and scientific manner to reduce the risks. I do not mean that we do not have to take things into consideration. What I mean is that we should not be afraid of developing new undertakings just because we are afraid of taking risks. We should also overcome the ideas of keeping to conventional ways of doing things and attempting and accomplishing nothing. Some people felt satisfied with a one-percent increase in one year and a two-percent

increase in another and made no attempt to accomplish something. Emancipation of the mind is an endless endeavor. The situation is ever changing and our understanding is being enhanced continuously. Therefore, we should emancipate our minds continuously. Otherwise, we will fall behind the situation. How should we emancipate our minds? Attending study sessions alone is not enough. We should also summarize our experiences and practice gained in the past decade and more and, through this, enhance our understanding of the basic line, the endeavor of reform and opening up, and the importance of emancipating our minds, and raise our awareness in emancipating our minds. Meanwhile, we should learn from the experiences of other localities. In this way, we will be able to enhance our understanding of the party's basic line and continuously emancipate our minds.

Fifth, we should make greater strides in reform and opening up and open to the outside world on a large scale and in all directions.

Xing Chongzhi said: In cities, counties, and enterprises, we should look for new areas in which breakthroughs should be made. Only when we accurately select the areas and make breakthroughs in them can we make bigger strides. 1) We should open in all directions. Not only should development zones and open zones be opened, but also others should be opened, including the party, the government, and the Army; counties, townships, and villages; and economic and noneconomic departments. 2) We should grasp the project from all directions. This is an important part of implementing reforms and opening up in places where needed. We must have good products and good markets and try by all possible means to improve the product quality and level and the production scale. At the same time, we should also strive to develop more new items. The technological starting-point should be higher and more even. We should not pursue outdated projects. In carrying out projects, we should give simultaneous attention to expanding production through upgrading technology and improving management instead of launching new projects.

Sixth, cadres are the decisive factor because they must face the world and brave the storm.

Xing Chongzhi stressed: We should pay attention to and strengthen the cultivation and training of cadre contingents and further enhance the reform and opening-up quality of cadres at all levels. It is unusual to see a cadre do a bad job on purpose. However, cadres' low quality and their failure to handle things properly and well is common. It is necessary to enhance the political and professional qualities of cadres. All county authorities and enterprises have a batch of people with higher quality in reforms and opening up. Making good use of these people is very important.

Seventh, we should have a pioneering spirit, create new ideas, deal with concrete matters relating to work, produce high efficiency, and make the joint forces stronger.

Xing Chongzhi pointed out: To promote this work style, further improve the ideology and work style, and make bigger strides in reforms and opening up, we must greatly change our ideology and work style. This socialist education has greatly inspired us. Cadres who had been transferred to the lower levels went deeply to the masses to do practical things for them and help them solve problems. The masses felt very much indebted. We can see that the change in ideology and work style is very important in maintaining close ties between the party and the masses and enhancing the cohesion of the party, and to reforms, opening up, and economic development. Party committees at all levels should further cultivate the ideology of taking economic construction as the central task and concentrate more energy on reforms and opening up.

If all people rack their brains and do what they can, our reforms and opening up will achieve greater development.

AFP: Shanxi Vice Governor Sacked Over Stampede

HK0503072792 Hong Kong AFP in English 0712 GMT 5 March 92

[Text] Beijing, March 5 (AFP)—Shanxi Vice Governor Li Zhenghua has been sacked for negligence following a stampede at a park last year in which 105 died, China's LEGAL DAILY [FAZHI RIBAO] reported Thursday.

The northern province's parliament passed a motion Wednesday to hold Li responsible for the incident during a lantern festival in Taiyuan on September 24.

Li, who headed the festival's organizing committee, had "neglected the safety of the masses," the official newspaper said.

"Main leading comrade Li Zhenghua's bureaucratism was very serious, he was irresponsible, he neglected safety and political ideology work, and he has a high degree of leadership responsibility for this accident," the newspaper quoted an official investigation as saying.

Overcrowding in a city park and a lack of security guards allowed crowds of visitors to shove and trample each other during the festival in the provincial capital. The incident left 105 people dead and 108 seriously injured.

Northeast Region

Heilongjiang Official on Foreign Trade System

SK0403135492 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 29 Feb 92

[Text] Du Xianzhong, vice governor of the province, delivered a speech at the provincial economic and trade work conference that concluded on 29 February. In his speech, he urged economic and trade departments at all levels to further deepen reform in foreign trade systems; to uphold the principle of paying simultaneous attention to foreign trade and to economic relations with foreign

countries, integrating immediate interests with long-term interests, and grasping the economic responsibility system and ideological and political work simultaneously; and to contribute to developing the province's economy.

It was pointed out at the conference that our province is focusing its attention on the export markets of the former Soviet Union, Japan, Hong Kong, and Southeast Asia; and that based on further consolidating the existing markets, the province will actively open new markets and make efforts to open markets in Taiwan, South Korea, Southeast Asia, the Middle East, Australia, and Latin America.

Comrade Du Xianzhong stated in his speech that we should regard the Russian Federation as a trade partner; develop trade relations with the CIS; and expand our trade with East Europe, Korea, and the Republic of Mongolia. While developing barter trade, we should strive to gradually expand spot exchanges. While expanding their exports, various foreign trading companies should concentrate their efforts on imports.

Du Xianzhong stressed in his speech that efforts should be made to continuously deepen reform in foreign trade systems, to develop and improve foreign trade in the course of reforms, to further improve the economic responsibility systems in economic and trade circles, and to achieve self development and regulation.

Heilongjiang Economic Team Investigates Firms

SK2802231892 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 27 Feb 92

[Text] The joint investigation team organized by the provincial economic commission and the General Office of the provincial government conducted investigations in 10 enterprises, including the Harbin Measuring and Cutting Tools Plant, the Harbin No. 1 Instrument Plant, and the Harbin Brewery, from 12 to 17 February. The result of the investigations showed that enterprises shouldered such heavy burdens and were swamped by so many appraisals and examinations that they could no longer endure it. According to incomplete statistics, as many as 388 enterprise jobs were subject to appraisals and examinations by departments at all levels. Since last October, the departments conducted as many as 42 appraisals and examinations in these 10 enterprises, of which 28 were unwarranted. According to the investigations in the 10 enterprises, they included collected membership dues by associations, societies, and research institutes of various categories and at various levels; charges for various study, training, and discussion sessions sponsored by various levels and departments; fees for appraisals of professional titles; fees for greening and beautifying cities and repair of river embankments; fees for forced subscription of newspapers and magazines; fees for building (warehouses); fees for laying drainage pipes; and charges for the extended service of railway units which develop tertiary industry. The investigations showed that the Harbin Measuring and Cutting Tools

Plant joined 50 associations, societies, and research institutes operated by the province as well as various departments and cities and had to pay 25,700 yuan in membership dues a year. The Heping Sugar Refinery paid railway units 794,006 yuan last year for charges concerning six fields of service, including storage and planning for transportation, but was not provided with due services.

The provincial government held a meeting on the afternoon of 27 February to hear and discuss the report of the investigation team. (Zhu Jingtai), deputy secretary general of the provincial government, chaired the meeting. The participants discussed ways to lighten enterprises' burdens.

Jilin Province CPPCC Committee Session Opens

SK0403135292 Changchun Jilin People's Radio
Network in Mandarin 2200 GMT 2 Mar 92

[Excerpts] The fifth session of the sixth Jilin provincial committee of the Chinese People's Political Consultative Conference [CPPCC] ceremoniously opened at Nanhu Guesthouse in Changchun on the morning of 2 March. At this session, members will listen to and discuss the work report of the sixth provincial CPPCC committee Standing Committee and the report of the motions committee of the sixth provincial CPPCC committee on its work since the fourth session of the sixth provincial CPPCC committee. They will discuss a report of the provincial government on the Eighth Five-Year Plan, Jilin Province's draft Eighth Five-Year Plan on national economic and social development; discuss a report on the implementation of Jilin Province's 1991 national economic and social development plan and a report on the arrangement of the 1992 draft plan; discuss a report on the fulfillment of Jilin Province's 1991 budgets and on the 1992 draft budget; and adopt relevant resolutions on personnel appointments and removals, the draft resolutions of the fifth session of the sixth provincial CPPCC committee, and other relevant affairs.

Attending the session were a total of 442 CPPCC committee members. The session was presided over by Comrade Liu Yunzhao, chairman of the provincial CPPCC committee. Vice Chairmen Gao Wen, Zhang Dexin, Luo Yuejia, Jin Minghan, Lu Shiqian, and Feng Xirui were seated on the rostrum. Leading comrades of the provincial party, government, and Army organs, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Gu Changchun, Xiao Chun, Li Deming, Zhou Zaikang, Cheng Shengsan, Cui Lin, and Wang Yunkun, attended the session and were seated on the rostrum.

Former provincial-level veteran leaders such as Yu Ke, Liu Jingzhi, Che Minqiao, Yan Zitao, He Yunqing, and Xin Cheng, and responsible persons of various democratic parties and the Federation of Industry and Commerce, including (Wu Shiduo), (Zhao Ruyi), Li Guotai, Yan Hongchen, Yuan Baixiong, and Li Hongchang, were also invited to the session.

At 0900 in the morning, Liu Yunzhao, chairman of the provincial CPPCC Committee, declared the session open. [passage omitted]

Gao Wen, vice chairman of the provincial CPPCC committee, gave a work report of the Standing Committee of the Sixth Jilin Provincial CPPCC Committee. He said: In 1991, all members of the provincial CPPCC committee and all office comrades closely relied on the leadership of the Jilin Provincial Party Committee and the support and coordination of the provincial government and all sectors. They considered economic construction as the central task, upheld the four cardinal principles, reforms and opening up, actively grasped and discussed major affairs, conscientiously exercised the basic functions of political consultation and democratic supervision, and conducted special investigation and inspection and provided consulting service on the prominent problems in economic construction. They also offered plans and exerted efforts to run large and medium-sized state enterprises well. The committee members held aloft the banner of unity and democracy; upheld and improved the system of multiparty cooperation and political consultation under the Communist Party of China leadership; grasped the heated problems causing so much concern among the people; conducted in-depth investigation and study; promoted the building of socialist spiritual civilization, democracy, and the legal system; strengthened the work of the village committees; and fully displayed the role of committee members as the mainstay. In addition, they also defined the detailed rules for implementing the motions work. They actively coordinated with departments concerned to do a good job in handling and implementing motions and in the feedback work.

Comrade Gao Wen said: During the past year, the provincial CPPCC committee emancipated thinking, broadened its work sphere, actively carried out overseas contacts, summed up and popularized local experiences, studied and drew experience from other localities, strengthened leadership over the work of the city and county CPPCC committees, promoted the spirit of conscientious work, did office services work well, and successfully fulfilled all tasks defined at the fourth session of the sixth provincial CPPCC committee.

After comprehensively summarizing the five experiences gained in the previous work, Comrade Gao Wen stated the new plan for this year's provincial CPPCC work. [passage omitted]

Prior to the opening of this session, all committee members held a preparatory meeting to adopt this session's agenda, daily schedules, and the namelist of the secretary general and deputy secretaries general. [passage omitted]

Jilin Sets Up Foreign Investment Leading Group

SK0403144392 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 3 Mar 92

[Text] To attract more foreign investment, the provincial government has established the provincial foreign investment leading group headed by Governor Wang Zhongyu, with Vice Governors Liu Xilin and Wang Yunkun as deputy heads. The provincial government has promulgated the province's methods to examine, approve, and manage foreign-invested enterprises. The purpose of this is to solve the problem of having to go through excessive departments and tedious formalities when examining and approving foreign-invested enterprises and the problem of delaying work in examining and approving foreign-invested projects.

The provincial foreign investment leading group is a high-level authoritative administration organization of the province to study, decide, command, and coordinate foreign investment work in a unified way. Under the group, an office has been established to assume responsibility for handling the day-to-day work. The office is located at the provincial foreign trader service center.

The provincial methods to examine, approve, and manage foreign-invested enterprises definitely stipulate that the problems in production, operation, and management facing foreign traders from the moment they seek investment opportunities in the province until the foreign-invested enterprises are completed can all be solved by the office of the provincial foreign investment leading group. Except for the projects that must be reported to the state for examination and approval, the projects, so long as their documents for approval are complete and meet the requirements, can have their suggestion letters and feasibility study reports approved at one time according to their specific cases. As for the projects that need examination and approval by several departments at different stages, the various sections of the office may organize pertinent departments to handle affairs jointly in line with demands to perform examination and approval formalities at one time.

Governor Wang Zhongyu and Vice Governor Wang Yunkun attended a news conference on 3 March and briefed the conference participants on the province's situation in attracting direct investment from foreign traders and in the enterprises in which foreign traders have invested.

Jilin Attracts More Foreign Investment in 1991

OW0503055692 Beijing XINHUA in English 0333 GMT 5 Mar 92

[Text] Changchun, March 5 (XINHUA)—An improved investment environment has enabled Jilin Province, an old industrial and agricultural base in northeast China, to attract increased foreign investment.

The 121 foreign funded enterprises approved in 1991 have brought the province's total number of such enterprises to 255, and have increased contracted foreign investment to 252 million U.S. dollars.

The investors come from a number of countries and regions, including the United States, Germany, Thailand, Canada, South Korea, Taiwan and Hong Kong.

Wang Yunkun, vice-governor of the province, said recently that governments at all levels in Jilin have put forth great efforts to improve both the hard and soft investment environment for overseas investors.

Wang said that a series of preferential policies have been worked out for foreign and Overseas-Chinese investors as well as investors from Taiwan. And a number of new provincial special economic zones have been approved to attract new and hi-tech industries.

The new development zones have soon become prime locations for foreign investments, said Wang.

The provincial government has established a number of organizations to provide wide-ranging services for overseas businessmen and their enterprises.

In addition, application procedures for establishing new foreign funded enterprises have been simplified, and the application processes have been shortened.

The province has also constructed two highways connecting the cities of Sipin and Hunjiang, and Changchun and Jilin. In addition, the Changchun airport expansion project has been completed, and the Jilin, Yanji and Changchun airports have opened new air routes.

Telecommunications facilities in the province have also undergone major improvements, and all major cities in the province have been equipped with international direct dial telephone systems.

According to Wang, completion of the development projects has provided Jilin with a solid foundation for attracting increased foreign investment.

He also noted that the province has made major progress in revamping its older industries and tapping its rich natural resources.

The Changchun No. 1 automobile manufacturing plant, a joint venture with Volkswagen of Germany, is among the largest one of China's largest Sino-foreign joint ventures in the machinery and electronics industry. The joint venture with a total investment of 4.2 billion yuan produces 150,000 sedans annually.

Foreign funded ventures have also made inroads in the food processing industry. Three food companies, two from Hong Kong and one from Thailand, are amongst China's largest firms in the industry.

Yue Qifeng Addresses Government Plenary Session

SK0403141792 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 2 Mar 92

[Text] The eighth enlarged plenary session of the seventh committee of the provincial government opened in Shenyang on 2 March. At the session, the important speeches of central leading comrades were relayed, and the government work report, which had already been submitted to the fifth session of the seventh provincial People's Congress for examination and discussion, was discussed.

In combination with the province's reality in reform, opening up, and economic work, Yue Qifeng, governor of the province, made an important speech on how to profoundly study and conscientiously implement the guidelines of the important speeches made by central leading comrades. He first stressed: We should deeply comprehend the great immediate significance and the far-reaching historical significance of the central leading comrades' speeches. We should affirm the belief that socialism will surely replace capitalism. In particular, we should actually seize the favorable opportunities at home and abroad to further emancipate our minds, to be even bolder in carrying out reform and opening up, and to be faster in the pace of reform and opening up.

Governor Yue Qifeng demanded: In studying and comprehending the important speeches of central leading comrades, leaders at all levels must closely combine study and comprehension with the reality of their work, ideology, and work style; again examine themselves, summarize experiences and lessons; and truly unite their ideas with the guidelines of the important speeches of central leading comrades. He emphasized: Since the Third Plenary Session of the 11th party Central Committee, very great achievements have been made in the province's economic work. However, some problems have also been revealed in the course of improving the economic environment and rectifying the economic order. The disparity between our province and advanced localities is in essence the disparity in the way of thinking and in ideas and concepts. Major indicators are: The idea of regarding economic construction as the central task has not been firmly fostered; the spirit of exploration with courage and insight has been lacking; and, in particular, leftist ideas have not yet been eliminated completely, thus hampering our initiative. Therefore, in profoundly comprehending and conscientiously implementing the guidelines of the important speeches of central leading comrades, only when the whole province emancipates minds on a large scale and changes work style comprehensively can it enhance well its work. Then it can carry out reform, opening up, and economic construction even faster and better.

At the session, Governor Yue Qifeng also gave an explanation on the drafting and revising process of the government work report submitted to the fifth session of the seventh provincial People's Congress. All members

of the provincial government profoundly discussed the government work report and offered sound opinions on revisions.

Monitoring System Established on Liaoning Coast

*OW2902042792 Beijing XINHUA in English
0337 GMT 29 Feb 92*

[Text] Shenyang, February 29 (XINHUA)—A comprehensive coastal monitoring system has been established along the north China coast.

Han Mao Luo, director of the Dalian Branch of the National Bureau of Oceanography, said that since 1978 more than 30 permanent offshore water quality monitoring stations have been established between the mouth of the Yalujiang River and the pass of Shanhaiguan. In addition, emergency procedures have been adopted to monitor pollution in river outlets and key sea lanes.

Han said the comprehensive monitoring system along north China coast includes the use of marine monitoring stations, as well as aircraft and ship patrols and satellites, marine telemetering, buoys, and ice-monitoring stations.

The system is designed to help protect the ocean environment and aquatic production, as well as guarantee maritime rights.

In addition, the system has enable China to exchange marine hydrologic information with more than 100 countries and regions.

Liaoning Holds Rural, Agricultural Work Forum

*SK2802063792 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 18 Feb 92*

[Text] The provincial government held a forum to propagate and report agricultural production and rural work on the morning of 18 February. Vice Governor Xiao Zuofu made a brief report to the press circles on the province's implementation of the guidelines of the eighth plenary session of the 13th party Central Committee and the fifth session of the seventh provincial party committee and on the 1991 provincial achievements in rural economic construction, the arrangements for the 1992 rural work, and the opinions on propagating rural work.

Attending the forum were leaders of pertinent departments and bureaus directly under the provincial authorities, comrades of the central press agencies stationed in the province, and comrades of the various press units directly under the provincial authorities. Comrade Xiao Zuofu said in his brief report: According to the results of the latest statistics, last year the province's total grain output reached 15.324 million tons, 377,000 tons more than that in the previous year; the total output of meat, eggs, poultry, milk, and aquatic products was 2.6 million tons; the total output value of the township and town industry was 41.39 billion yuan, 7 billion yuan more than in the previous year; the per capita net income of

peasants was 896.7 yuan, 64.5 yuan more than in the previous year; and the total product of the rural society went up by 12.7 percent over the previous year.

The major goals for the 1992 rural economic work are: We should firmly stabilize the total grain output at 15 billion kg; strive to make breakthroughs in total grain output; and make great efforts in increasing per unit area yield, stabilizing the total output, and building high-yield and 1,000-kg-yield fields. We should continue to develop diversified occupations and strive to achieve 2.7 million tons in the total output of meat, eggs, poultry, milk, and aquatic products. In building water conservancy projects, we should focus efforts on building 1 million mu of irrigated fields and on building a number of new water storage, diversion, and drainage projects to enhance the capacity to fight natural calamities. We should popularize fine-strain crops on 90 percent of fields. In particular, western Liaoning and other out-of-the-way areas should depend on fine-strain crops and plastic films to increase the per unit area yield. Efforts should be made to achieve 53 billion yuan in the total output value of township and town industry and 950 yuan or more in the per capita income of peasants.

Comrade Xiao Zuofu said: Such a good achievement in the province's rural work in the past year should be partly attributed to the contributions of the vast number of press and propaganda workers. The people in the vast rural areas of the province will not forget you. We hope that you will make continued efforts to do the press and propaganda work even better and more fruitfully for the invigoration of Liaoning's agricultural and rural economy.

Development Zones Flourish Along Expressway

*SK0503033592 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 4 Mar 92*

[Summary] Since the Shenyang-Dalian expressway opened to traffic on 1 September 1990, it has played a key role in speeding up the opening of Liaodong peninsula to the outside world and improving the provincial investment environment. Some 350 million yuan in economic results were directly created in the past year after it opened.

The expressway basically helps eliminate the accumulation of goods at Dalian and Yingkou Ports due to untimely deliveries. Some transportation enterprises are developing and getting stronger.

The localities along both sides of the expressway have developed economically thanks to the expressway. So far, Dalian, Yingkou, and Shenyang have established three high- and new-technology industrial development zones along the expressway, and country fair trade markets of various categories have been set up on both sides of the expressway.

Northwest Region

Radio Greets Gansu Provincial CPPCC Session

HK2802110592 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 25 Feb 92

["Station commentary" entitled "Actively Participate in Management and Discussion of State and Political Affairs, Make New Contributions To Gansu's Economic Invigoration—Congratulate the Convocation of the Fifth Session of the Sixth Provincial CPPCC Committee"]

[Text] The Fifth Session of the Sixth Gansu Provincial CPPCC Committee was inaugurated in Lanzhou yesterday. The session was convened under an excellent situation in which the people of all nationalities across the province are taking action to greet the forthcoming convocation of the 14th CPC National Congress. The session is of great importance to the further implementation of the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and of the enlarged Sixth Plenary Session of the Seventh Gansu Provincial CPC Committee, the better play of the functional CPPCC organizations' role in respect of political consultation and democratic supervision, and the successful accomplishment of various tasks set for the second year of the provincial Eighth Five-Year Plan.

The session will sum up the provincial CPPCC work achievements and experiences over the past few years in hope of enhancing the standard of the work of participating in the management and discussion of state and political affairs and of promoting provincial economic work as well as other types of work.

Over the past few years, the provincial CPPCC work has been closely centered on economic construction, thus embodying a guiding ideology for the CPPCC work to submit to and serve economic construction. We are fully confident that the CPPCC organizations at all levels across the province will more successfully carry forward the fine CPPCC work traditions; persist in and perfect the CPC-led multiparty and political consultation system; bring into full play their unique superiority in qualified personnel, social connections, and social influence; actively participate in the management and discussion of state and political affairs; and forward more proposals and measures to make new contributions to Gansu's economic invigoration.

Yin Kesheng Addresses Structural Reform Forum

HK0503091592 Xining Qinghai People's Radio
Network in Mandarin 2300 GMT 29 Feb 92

[Excerpts] The 16-day provincial economic structural reform work conference concluded in Xining yesterday afternoon.

The conference advanced the following general guiding ideology for economic structural reform this year: Implement and carry forward the spirit of the central and

provincial party committee work meetings; handle relations between reform, stability, and development more efficiently; maintain the continuity and stability of all major reform measures; explore effective ways and means of organically integrating a planned economy with market regulation; further invigorate large and medium enterprises; safeguard and expand the publicly owned economy; grasp the key aspects of provincial economic life in carrying out in-depth reforms; speed up the pace of development; and strive for substantial breakthroughs.

The closing session was presided over by Governor Jin Jipeng, and provincial party committee Secretary Yin Kesheng and Vice Governor Wu Chengzhi delivered speeches.

Lu Shengdao, Ma Yuanbiao, Wang Fuxiang, and other leading comrades attended the closing session.

Yin Kesheng's speech was divided into the following four parts:

1. To strengthen a sense of reform;
2. To persistently proceed from Qinghai's actual conditions;
3. To make concerted efforts;
4. To firmly grasp implementation.

Yin stated: Since reform and opening up, our province has witnessed fast economic and social development in all fields. However, compared with the hinterland provinces and coastal areas, we have yet to make big strides, speed up the pace of development, and narrow our growing gap with them. [passage omitted]

Yin Kesheng noted: The key to Qinghai's economic invigoration lies in reform and opening up. To successfully carry out reform and opening up we must first and foremost: Emancipate our minds, transform our concepts, cultivate a commodity economy concept, realize the transformation from a product economy to a commodity economy, cultivate a concept of achieving prosperity through development, realize the transformation from a natural economy into socialized production, cultivate a concept of promoting development through reform and opening up, realize the transformation from a closed economy into an open economy, cultivate a concept of self-development and self-reliance, and constantly strengthen confidence and determination in developing and invigorating Qinghai.

Yin Kesheng maintained: Apart from strengthening confidence and determination in furthering reform, we must also persistently proceed from Qinghai's actual conditions and work hard to explore specific ways and means of deepening reform. [passage omitted]

Yin Kesheng went on: It is necessary to orient reform to key areas, grasp key contradictions, vigorously foster a market, further invigorate circulation, and create necessary conditions for enterprises to enter the markets.

Yin Kesheng emphatically called for unifying actions, coordinating efforts, and grasping implementation in carrying out reform and opening up this year. He said: With in-depth reforms, some in-depth problems are bound to gradually surface. To tackle these in-depth problems, we must make overall arrangements and formulate a guiding ideology for coordinating efforts to solve various problems within a new structure and a new framework. To this end, we must unify ideology, formulate comprehensive policies, make concerted efforts, and coordinate all types of work.

Yin Kesheng asserted: An urgent and onerous task facing us is to deepen reform and waste no time in pushing forward reform in a continual manner. The CPC Central Committee, the provincial party committee, and the provincial government have formulated a series of policies. This conference has also made specific arrangements for this purpose. Our task at present is to implement to the letter all these policies and measures. So long as we make earnest efforts to implement all policies and measures to the letter in a spirit of seeking truth from facts and in a pragmatic and down-to-earth manner, we will certainly be able to score tangible reform achievements.

Xinjiang People's Congress Holds Fifth Session

OW0303144192 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 2 Feb 92

[From the "Xinjiang News" program]

[Text] The fifth session of the Seventh People's Congress of the Xinjiang Autonomous Region held its second meeting this morning to hear a report on the implementation of the autonomous region's 1991 national economic and social development plan and draft development plan for 1992 and a report on the implementation of the autonomous region's 1991 budget and draft budget for 1992.

Executive chairmen of today's meeting are Sawdanov Zayir, (Shi Geng), Zhang Shaopeng, Kurban Ali, Abdurehim Litip, Turbayim, (Yasunasir), (Yusufu Aiza), (Baikal Baysak), (Tomurdai), (Aulya), (Hadesu Janabul), (Kurban Niyazi), (Nuermati Hudadaiti), (Kahal Amat), and (Hou Zhengyuan). Chairman (Su Yongguang) of the autonomous region's planning commission delivered a report on the implementation of the Xinjiang Uygur Autonomous Region's 1991 national economic and social development plan and draft development plan for 1992.

In his report, (Su Yongguang) said: In 1991, the autonomous regional party committee and people's government, in accordance with the plan of the party Central Committee and the State Council for developing the national economy and in the light of the actual conditions in Xinjiang, continued to improve measures for work in various fields and united and led the people of all nationalities in working hard to improve the national economy. The whole region enjoyed both political and

social stability and economic prosperity. The region's GNP is expected to reach 29.08 billion yuan, up 9.7 percent over the previous year. Annual agricultural output value is expected to reach 16.5 billion yuan, up 5.6 percent over the previous year. The annual industrial output value is expected to reach 26.5 billion yuan, an increase of 13.3 percent. Gratifying progress was made in various projects.

In his report, (Su Yongguang) said: In carrying out our economic planning work in 1992, we should take the guidelines of the central working conference and the Eighth Plenary Session of the 13th CPC Central Committee as the guide; implement the party's basic line of making economic construction the central task, upholding the four cardinal principles, and persisting in reform and opening to the outside world; consolidate and develop the fruits of economic improvement and rectification; shift the focus of economic work to adjusting the economic structure and improving efficiency; seize the opportunity to advance reform and opening to the outside world; and make new breakthroughs in developing the secondary and tertiary industry in rural areas and the county and township economy, in upgrading state-run large and medium-sized enterprises, in expanding trade and economic-technological cooperation with various countries in central Asia, and in developing the petrochemical industry and related enterprises on the basis of intensifying petroleum prospecting and exploitation.

In his report, (Su Yongguang) said: The main tasks and targets of the 1992 development plan are as follows:

Adhere to the principle of sustained, stable, and coordinated development of the national economy;

Strive for an appropriate growth rate for the national economy and a 6-percent increase in the GNP under the prerequisite of raising economic efficiency and optimizing the economic structure;

Further strengthen the foundation of agriculture, restructure agricultural production and rural industry, and strive for a bumper harvest in agriculture and animal husbandry for the 15th consecutive year;

Further enlarge the economic strength in rural areas to meet the plan's call for a 4.2-percent increase in total agricultural output value and a 16.3-percent increase in the total output value of village and township enterprises;

Vigorously adjust the industrial product mix, accelerate technological transformation and progress in enterprises, improve enterprises' operative mechanisms, and raise enterprises' economic efficiency;

Be aware of the plan's call for a 7.5-percent increase in total industrial output value, a 1-percentage-point increase for profit and tax rates for industrial funds, and a 3.6-percent increase in per-capita productivity in the industrial sector;

Maintain an appropriate scale of investment, conscientiously adjust the investment pattern, strengthen work in early stages, ensure the construction of key projects, and improve investment returns;

Be aware of the plan's call for a total investment of 4.48 billion yuan in fixed assets throughout the region, an increase of 18.9 percent;

Further open up markets, enliven commodity circulation, and ensure the stability of commodity prices;

Be aware of the plan's call for a 12.9-percent increase in the total retail sales volume and for limiting retail price rises to below 8 percent;

Continue to deepen reform, open wider to the outside world, and strive to upgrade foreign trade and economic and technological cooperation with foreign countries, regional trade, and border trade;

Strive to increase revenues and cut down expenditures to strike a balance between revenue and expenditure;

Adhere to the principle of invigorating Xinjiang with the help of education, science, and technology;

Strive to develop social projects in various fields, strengthen the building of a socialist spiritual civilization, promote the coordinated development and comprehensive progress of the economy and society, and strictly bring population growth under control by limiting the natural population growth rate to below 19.8 or 19.9 percent.

In conclusion, (Su Yongguang) said: The development plan of the autonomous region submitted to the current session for deliberation and approval is a plan aimed at striking a balance between revenue and expenditure. As long as we clearly understand the situation, achieve unity in thinking, work enthusiastically, unite with the people of all nationalities in the region, and work with one heart and one mind, we will be able to accomplish our tasks victoriously this year.

Director (Magemuti Salti) of the regional finance department delivered a report to the meeting on the implementation of the Xinjiang Uygur Autonomous Region's 1991 budget and draft budget for 1992.

In his report, (Magemuti Salti) said: In 1991, revenue income throughout the autonomous region remained stable. The annual budget was overfulfilled. In accordance with the budget, financial expenditures were able to ensure the basic needs of all sectors and supported the development of production, construction, and other projects. The following main tasks were accomplished by various localities and departments:

1. Financial and taxation departments, in cooperation with other relevant departments, promptly drew up measures to implement the decisions of the Central Committee and the autonomous region on further upgrading state-run large and medium-sized enterprises.

2. Financial and taxation departments continued to carry out taxation work according to the law, tapped the potential of revenue income, and recovered unpaid taxes, thus ensuring the prompt collection of taxes.

3. Financial and taxation departments attached importance to agricultural investment and raised funds to help the autonomous region gather a bumper harvest in agriculture and animal husbandry for the 14th consecutive year.

4. Financial and taxation departments strengthened management to ensure that expenditures were used for key projects.

5. Financial departments at all levels actively arranged funds for necessary personnel expenses, particularly for wages.

6. Personnel were sent to grass-roots units to assess financial difficulties at the county level. They played a positive role in bringing financial deficits under control and alleviating financial difficulties at the county level.

7. Sales of national bonds were vigorously promoted.

8. A general inspection of taxation and financial affairs and prices was launched, and the work to eliminate chaos in three respects was done well.

9. Efforts were made to strengthen control over extra-budgetary funds and limit the purchasing power of government organs and institutions.

In his report, (Magemuti Salti) said: All localities and departments must have a clear understanding of the situation, overcome difficulties, firmly implement policies, and strive to fulfill the tasks of the 1992 budget. To this end, it is necessary that all localities and departments carry out the following tasks well:

1. With improvement of efficiency as their central task, they should support the effort to upgrade our region's state-run large and medium-sized enterprises and to promote the development of production.

2. They should increase investments in agriculture and animal husbandry and actively promote the development of agriculture and animal husbandry and secondary and tertiary industry in rural areas.

3. They should improve taxation work and seriously try to collect taxes.

4. They should conscientiously adjust the expenditure pattern to bring expenditures under control and raise efficiency in the use of funds.

5. They should vigorously try to develop the economy at the county level to alleviate financial difficulties at that level.

6. They should carry out financial and taxation reform, including the contract system for profit retention and tax payment.

7. They should strengthen legislation in financial affairs, strictly enforce financial and economic laws and discipline, and carry out financial affairs according to the law.

8. They should improve their work style and firmly implement policies.

Members attending the fifth session of the sixth autonomous regional committee of the Chinese People's Political Consultative Conference and responsible comrades

of the autonomous regional commissions, offices, departments, and bureaus who are not deputies to the Seventh People's Congress of the autonomous region attended the meeting as observers.

Tomur Dawamat Work Report

*OW0503093992 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 4 Mar 92*

[From the "Xinjiang News" program]

[Text] Tomur Dawamat, chairman of Xinjiang Autonomous Region, pointed out in his government work report to the Fifth Session of the Seventh Xinjiang Autonomous Regional People's Congress: In 1991, the autonomous regional party committee and the autonomous regional people government seriously implemented the guidelines of the Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee and the central work conference; summed up the experience and lessons of many years in light of Xinjiang's realities; and paid great attention to economic construction. After studying new circumstances and new problems, they have further emancipated their minds and realistically formulated a series of policies and measures. These policies and measures are a great breakthrough. In fully showing a spirit of deepening the reform and opening Xinjiang wider to the outside, they have laid a foundation and provided the policy guarantee for successfully implementing the Eighth Five-Year Plan and the 10-year Program, and for further developing Xinjiang's economy. In 1991, Xinjiang earned \$363 million from export trade, setting a new record and showing an 8.4 percent-increase over the previous year. Both local trade and border trade boomed. Remarkable successes were scored in lateral economic association and in economic and technological cooperation.

Tomur Dawamat said in his report: In opening to the outside world, our main task this year is to continue to adhere to the principle of opening on every side with emphasis on the west side, importing foreign capital and technology, forming economic associations with other regions at home, and going eastward to seek cooperation and going westward to seek export markets. While paying attention to overall foreign trade, we will strive to rapidly develop trade, including border trade, as well as economic and technological cooperation at various levels, with central Asian nations. We will strive to make a breakthrough in this regard.

Tomur Dawamat said: We should further emancipate our minds, raise our awareness of the need to open to the outside world, and achieve the five changes [as heard]. We should continue to deepen the reform of the foreign trade system, further improve the contracted managerial responsibility system in foreign trade enterprises, and give enterprises full authority in business management. While actively carrying out the strategy of scattering the markets, we should constantly strengthen and develop markets in Hong Kong, Macao, Japan, Europe and the

United States; establish and open up markets in West Asia, Southeast Asia, and the Middle East; and strive to develop markets in Central Asian and East European nations. We should readjust the mix of export goods, export more products of intensive processing, accelerate the use of foreign capital, and promote economic and technological cooperation with the outside world. We should pay more attention to lateral economic associations, and promote economic cooperation with fraternal provinces and regions, particularly with special economic zones and coastal regions and in terms of material supply and exchange. We should ensure cooperation among various localities in Xinjiang to promote our economic development. Foreign affairs, overseas Chinese affairs, and tourism should persistently serve economic construction.

Xinjiang Radio Asserts Need for Unified Thinking

*OW2802063392 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 27 Feb 92*

[Station commentary from the "Xinjiang News" program: "Seeking Unity of Thinking and Paying Special Attention to Implementation"]

[Text] The fourth autonomous regional party committee has successfully concluded its third enlarged plenary session. Participants in the session formulated comprehensive plans for carrying out various tasks this year. The party Central Committee has set its major policies and principles, and the autonomous region has advanced many ideas, principles, and policies for promoting economic construction and the development of various endeavors. The central task at present is to seek unity of thinking and to pay special attention to implementation.

Seeking unity of thinking and paying special attention to implementation are two extremely important aspects of efforts aimed at advancing the autonomous region's endeavors in all spheres this year. They are the beginning as well as the end of the process for accomplishing various tasks. Party committees at all levels must seek further unity of thinking on Comrade Deng Xiaoping's theory regarding the building of socialism with Chinese characteristics, on the party's basic line, and on the many central and autonomous regional principles and policies. It is essential to institute firmly the guiding ideology that calls for steadfastly carrying out the central task of economic construction and for making all-out efforts to promote economic construction. It is necessary to emancipate the mind further, to heighten awareness about reform and opening, to work boldly in practice, to break new paths while advancing, to pay special attention to the execution of various tasks, and to achieve concrete results.

A down-to-earth approach is essential for paying special attention to implementation. First, leaders at all levels should assume a down-to-earth attitude by conducting extensive investigations and studies, by going to the grass roots and among the populace, and by remedying

and overcoming such phenomena as cursoriness, languishing in their positions of authority, and refusing to study and resolve problems. Second, they should work in a down-to-earth manner and guard against formalism. They should cut down on empty rhetoric, avoid empty arguments, and work steadily to perform practical tasks. People who prefer rhetoric to practical action and who talk a lot and work very little are incapable of successfully carrying out economic construction and the reform and opening drive. The same is true with people who refuse to handle minor matters despite their ability to deal with major tasks and those who are fond of the limelight and superficial practices. These people will face the consequence of becoming the laggards of their time.

Since the beginning of this year, our region has scored tremendous achievements in the reform and opening

drive. However, it still confronts rather formidable tasks in its efforts to deepen reform and open wider to the outside world. Various factors have produced a huge gap between our region and coastal and inland areas. Under such circumstances, we should carry out reform and opening policies more boldly and swiftly. Leaders as well as rank-and-file members throughout the region should build a consensus and foster a sense of urgency in this respect.

This year is crucial to the autonomous region's efforts to implement the Eighth Five-Year Plan, and it is full of opportunity and promise. Let us make concerted efforts, work in a down-to-earth manner, and usher in the 14th National Party Congress with remarkable achievements in economic construction, reform, and opening.

Taiwan Approves Third Batch of Mainland Spouses

HK0403121692 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1142 GMT 28 Feb 92

[Report: "Third Batch of Mainland Spouses of Taiwan Residents Allowed to Settle in Taiwan"]

[Text] Hong Kong, 28 Feb (ZHONGGUO TONGXUN SHE)—News from Taipei: The Immigration and Deportation Department of Taiwan's Ministry of Interior yesterday announced that a third batch of four mainland spouses of Taiwan residents will be allowed to settle in Taiwan. This brings to 19 the total number of mainland spouses of Taiwan residents who have received permission to settle in Taiwan.

Reports claimed that the mainland spouses included in this third batch are: Zhu Jiayi and Chen Liyi, both of

whom were married in 1949, and Liu Yanfang and Huang Shuqing, both of whom married Taiwan residents after the relaxation of travel restrictions to the mainland in 1987.

Since it began processing applications for mainland spouses to join their Taiwan families in January this year, Taiwan's Immigration and Deportation Department had originally planned to approve 20 applications per month, but owing to incomplete documents, 21 of the quota remain for the months of January and February. Taiwan's Immigration and Deportation Department indicated that the Straits Exchange Foundation plans to visit the mainland in mid-March where it will carry out verification work. If work progresses smoothly, the remaining quota for January and February as well as the quota for March, that is, a total of 41, will be filled in March.

President Chamorro Meets Business Leaders

OW0503084492 Taipei CNA in English 0743 GMT
5 Mar 92

[Text] Taipei, March 5 (CNA)—Nicaraguan President Violeta Barrios de Chamorro Wednesday urged Taiwan businessmen to invest in her country so as to help develop Nicaragua's economy.

In a meeting with a couple of industrial and business leaders here, President Chamorro said Nicaragua hopes to learn from Taiwan's successful experience in economic development.

Mrs. Chamorro met with the chairmen of the Taiyuen Textiles Co. and the Shinkong Group, two large enterprises that are likely to invest in Nicaragua, in her presidential suite at the grand hotel.

The Shinkong Group sent a fact-finding mission to Nicaragua last year to assess investment climate in the Central American country.

President Chamorro will see another group of entrepreneurs Friday morning in order to attract more investors to Nicaragua.

Having a busy day in Taipei Wednesday, Mrs. Chamorro and her entourage also visited the Taipei World Trade Center.

The president was interested in viewing the wide variety of Taiwan's export products on display. She was particularly attracted by machinery products, including a knockdown bicycle which she said was "good and cheap."

She received an artificial sapphire ring and a necklace as a souvenir during a visit to a jewelry maker at the trade center.

Signs Cooperative Agreement

OW0503090692 Taipei CNA in English 0801 GMT
5 Mar 92

[Text] Taipei, March 5 (CNA)—The Republic of China [ROC] and Nicaragua will work hand in hand to promote their common interests and enhance the well-being of their people.

President Li Teng-hui and visiting Nicaraguan President Violeta Barrios de Chamorro made similar commitments Wednesday during a state dinner at the Chungshan Building on Yangmingshan.

President Li, host of the dinner, said the Republic of China and Nicaragua have shared a longstanding friendship. Bilateral cooperation has become even closer since the two countries resumed full diplomatic ties in November 1990.

During the past two years, Li recalled, a stream of Nicaraguan government and military officers have visited Taiwan and ROC vice President Li Yuan-zu also led a high-level mission to visit the Caribbean nation last August.

"Frequent exchanges of visits by ranking officials from both countries have further boosted our already cordial relations," the president noted.

Li said he is convinced that President Chamorro's current visit here will help open up "new frontiers" for Sino-Nicaraguan cooperation.

The president lauded Chamorro for her achievements in rebuilding the Nicaraguan economy disrupted by a nine-year civil war and in improving her country's international status.

In appreciation of her contributions to the promotion of Sino-Nicaraguan relations, Li decorated Chamorro with the Order of Brilliant Star With Grand Cordon.

The Nicaraguan chief of state said she was honored to receive the order and appreciated the cordial hospitality the ROC Government and people have extended to her and her entourage.

Chamorro said she is particularly grateful for the Republic of China's financial assistance to Nicaragua. "Such generous aid has helped stanch high-flying inflation in my country and halt the further depreciation of our national currency," she explained.

Chamorro said she hopes her current trip will not only enhance friendly ties between the two countries, but also facilitate Nicaragua's efforts to learn both from the diligent Chinese work ethic and cooperative spirit and from Taiwan's experience in economic development.

Accompanied by senior Nicaraguan officials, Chamorro arrived in Taipei Tuesday for a five-day state visit.

Chinese and visiting Nicaraguan officials met Wednesday to finalize the wording of the three cooperative agreements to be signed at the conclusion of Chamorro's visit.

New Dominican Ambassador Arrives To Assume Post

OW0503085792 Taipei CNA in English 0750 GMT
5 Mar 92

[Text] Taipei, March 5 (CNA)—Ciro Amaury Dargam Cruz [name as received], ambassador of the Dominican Republic to the Republic of China [ROC], flew into Taipei Wednesday to assume his new post.

Amb. Dargam succeeds Amb. Juan Julio Morales Rosa who left Taipei last year.

Dargam, a senior diplomat, has been Dominican Vice Foreign Minister and ambassador to Korea, El Salvador, Columbia, and Peru.

The new envoy will present a copy of his credentials to Foreign Affairs Minister Chien Fu Thursday afternoon.

KMT Endorses Appointment of New Swaziland Envoy
OW0503084392 Taipei CNA in English 0746 GMT
5 Mar 92

[Text] Taipei, March 5 (CNA)—The Central Standing Committee of the Kuomintang [KMT] Wednesday endorsed the appointment of Enti Liu as Republic of China [ROC] ambassador to the Kingdom of Swaziland.

Liu, currently director-general of the Coordination Council for North American Affairs in San Francisco, is to succeed Tominic T.H. Chang, who will be given a new post at a later date.

Born in 1926, Liu is a native of Peking [Beijing]. He has served as a secretary in the ROC embassies in the United States and Spain, as well as director of the Foreign Ministry's personnel department before being appointed to his new post.

Health Office Purchases Medicines for Ukraine
OW0503085892 Taipei CNA in English 0747 GMT
5 Mar 92

[Text] Taipei, March 5 (CNA)—The procurement of US\$10 million worth of medicines for Ukraine has been completed, the National Health Administration announced Wednesday.

The medicines, weighing some 200,000 kilograms, are scheduled to be flown to Ukraine on April 14.

The purchase, part of a Republic of China [ROC] aid package to the Commonwealth Independent States, includes 12 kinds of medicines and three types of medical equipment.

Economics Official on Mainland Technology Imports
OW0503084792 Taipei CNA in English 0739 GMT
5 Mar 92

[Text] Taipei, March 5 (CNA)—Economic Affairs Minister Hsiao Wan-chang said Wednesday that he favors importing advanced technologies from Communist China.

Commenting on reports that Communist China is interested in exporting industrial technologies to Taiwan, Hsiao said "this would be a good phenomenon."

Liu Tai-ying, president of the Taiwan Institute of Economic Research, said after his recent visit to the mainland that he would work to introduce to Taiwan such mainland technologies as electronics and telecommunications.

Liu's remarks have caught media attention because he is not only the head of a prestigious think tank, but also secretary general of the Economics Ministry's Advisory Group on Industrial Development.

Moreover, he has just been selected a research member of the National Unification Council headed by President Li Teng-hui.

Hsiao told the CNA that there is nothing wrong with Liu's suggestion. "If we can import mainland technologies which will help upgrade our industrial levels, the Ministry of Economic Affairs will be delighted to see it come true," Hsiao added.

As a matter of fact, the minister noted, current government policy does not restrict imports of mainland technologies.

The existing policy only restrains investment on the mainland and items that can be imported from the mainland, he noted.

Hsiao pointed out that the government is concerned about Taiwan's high-tech investments on the mainland because such investments might involve Taiwan's imports of United States technologies and U.S. bans on high-tech exports to the mainland.

He said that his ministry will not for the time being allow high-tech industries to invest on the mainland.

Vice Economic Affairs Minister Yang Shih-chien said he must gain a full understanding of the "whole situation" before offering a comment on Liu's proposal.

He noted that the country does not now have any law which governs imports of mainland Chinese technologies.

Conditional Shipping Links With Mainland Favored
OW0503085992 Taipei CNA in English 0753 GMT
5 Mar 92

[Text] Taipei, March 5 (CNA)—Three Legislative Yuan committees jointly approved Wednesday a government ban on direct transportation links between Taiwan and the mainland.

"Exceptional" cases, however, will be allowed, the Judicial, Interior, and Statutory Committees decided.

After deliberating a cabinet-proposed statute on cross-straits relations, the joint committees decided that Republic of China ships, aircraft and other vehicles must not travel to the mainland without government permits.

Mainland ships, civilian aircraft and other vehicles are also banned from entering Taiwan without permits by the "responsible government authorities."

Asked when the government will permit direct transportation links with the mainland, Mainland Affairs Council Vice Chairman Hsieh Sheng-fu said it will not be possible until both sides of the Taiwan Straits recognize each other as equal political entities, Peking [Beijing] promises not to invade Taiwan, and Peking stops trying to isolate the Republic of China in the international community.

Hong Kong

Ceremony To Honor Transition Consultants

HK0503033792 Hong Kong WEN WEI PO
in Chinese 29 Feb 92 p 1

["Dispatch" by Chen Chien-ping (7115 1696 1627):
"China To Invite 44 Consultants On Hong Kong
Affairs"]

[Text] Beijing, 28 Feb [WEN WEI PO]—44 consultants on Hong Kong affairs, selected from among Hong Kong people and appointed by the Hong Kong and Macao Affairs Office of the PRC State Council and the Hong Kong Branch of the XINHUA NEWS AGENCY, will be issued letters of appointment in a grand ceremony in Beijing on 11 March. This is a major event which concerns the assurance of Hong Kong's smooth transition and transfer of power and has thus drawn extra attention. The senior hierarchy in Beijing greatly support this move.

Interviewed by a staff reporter on the appointment of Hong Kong affairs consultants, an official of the Hong Kong and Macao Affairs Office said: Now that Hong Kong has entered the latter half of the transitional period and that Lu Ping, director of the Hong Kong and Macao Affairs Office, and Deputy Director Chen Zi-ying have got the impression from recent visits to Hong Kong that personalities in various sectors in Hong Kong have a common wish to enhance communication with the central government by various means and through various channels. Both Lu Ping and Chen Zi-ying deem it a positive and realistic attitude of Hong Kong people in facing the historical change of 1997.

The official said that both the Hong Kong and Macao Affairs Office and XINHUA Hong Kong branch hold that a pattern with a particular emphasis on advising on every aspect of affairs during Hong Kong's transitional period Kong should be established in order to solicit opinions which are beneficial to Hong Kong's stability and prosperity and assure a smooth transition. Hong Kong is currently under British rule, however, and this reality must be considered in establishing an advisory pattern. Concerning this, it has been unambiguously laid down by the Sino-British Joint Declaration that Hong Kong is under British rule until 1 July 1997 and that the Chinese Government supports every effort to safeguard and maintain Hong Kong's stability and prosperity. Thus, in considering the institution of an advisory pattern, it is clear from the outset that no matter what kind of pattern is taken and that voices and opinions from various sectors must be listened to, there is absolutely no intention of creating "a shadow government" or "a second power center." He stressed that both the Hong Kong and Macao Affairs Office and XINHUA Hong Kong were very clear on this point.

Therefore, the pattern of appointing consultants, which has now been taken, is that all consultants are invited to act as such in a personal capacity and no administrative

body or secretariat will be set up. Likewise, the pattern of consultant meetings is very flexible, and a plenary session pattern will not necessarily be selected. Both the Hong Kong and Macao Affairs Office and XINHUA Hong Kong Branch can pose questions and seek advice from consultants who are particularly concerned with those questions; and advice in particular areas will be sought from consultants who are specialists in those fields.

The official said: Because listening to opinions from various sectors is a consideration that must be taken into account, attention should be paid to ensure that those consultants appointed are from various backgrounds and professions and possess different specialties. Criteria for prospective consultants are that they are personalities from various sectors in Hong Kong who are willing to contribute to Hong Kong's smooth transition and hand over of power, offer advice and contribute their talents to preserving Hong Kong's prosperity and stability, and who have made contributions to Hong Kong and enjoy high prestige.

It is rumored that the invited consultants will not have any remuneration, and a time limit has been set in their terms of appointment. Concerning this, the official said that, in general, every kind of work has a term of office, never mind such important work as serving as consultants during Hong Kong's transitional period. He held that the purpose of fixing a term of office for consultants is to prevent the position from becoming a nominal title so that the consultants' functions can really be brought into play. He said that this is the first group of consultants to be appointed, that the second and third groups will be nominated soon, and that candidates will be selected from broader social sectors.

The official said that the nomination of consultants is still being discussed and that those who have been asked have responded enthusiastically. Moreover, a considerable number of people from various sectors have inquired about the matter and have expressed their wish to contribute more to Hong Kong's stability and prosperity.

When asked about the attitude of the Hong Kong government toward this matter, the official said that strengthening Sino-British cooperation was a prerequisite for the stability and prosperity of Hong Kong during the transitional period. As shown by past practices, Hong Kong could develop as long as Sino-British cooperation was good; otherwise, public anxiety was aroused and society became turbulent. Strengthening Sino-British cooperation and enhancing communication between the central government and Hong Kong people are not in conflict with each other because good measures of solving problems during the transitional period can be found through enhancing communication, thus maintaining Hong Kong's stability and prosperity. Such a move not only accords with the interests of China and Britain, but with the interests of Hong Kong people as well.

Mainland Official on Broadcasting Corporatization*HK0503052092 Hong Kong SOUTH CHINA
MORNING POST in English 5 Mar 92 p 2*

[By Ken Chen in Guangzhou and Lana Wong]

[Text] Senior Chinese official Mr Lu Ping yesterday indicated that the controversy over the RTHK [Radio Television Hong Kong] corporatisation plan might be escalated to higher diplomatic levels if the Sino-British Joint Liaison Group (JLG) failed to reach an agreement.

In Guangzhou yesterday, Mr Lu, the director of the Chinese State Council's Hong Kong and Macao Affairs Office, maintained that the Hong Kong Government was obliged to accept agreements reached by the JLG.

Mr Lu was commenting on a statement by the British minister with special responsibility for Hong Kong, Lord Caithness, who said that although the subject could be discussed in the JLG, the final decision would rest with Hong Kong.

"The Hong Kong Government is at present under the British administration, therefore, the Hong Kong Government should abide by the agreements. Otherwise, the validity of all the agreements reached over the years would be in question," Mr Lu said.

Although the Hong Kong Government was responsible for the administration of the territory, the Joint Declaration had made it clear that Hong Kong's existing system, including its legal system, would remain unchanged, he said.

"Our policy is that the fewer the changes, the better, because too many changes would not be in the best interest of Hong Kong," he said.

When China signed the Joint Declaration with Britain in the 80s, it had made it clear that there should not be significant changes in Hong Kong before 1997 so as to ensure smooth transition, Mr Lu said.

"This is because after 1997, some of the changes might be considered inappropriate by the Special Administrative Region (SAR) government. The SAR government might want to restore the original system.

"We do not like to see such a situation arising," he said.

But Lord Caithness yesterday reiterated, during a meeting with Meeting Point legislators, that RTHK's corporatisation plan would be a matter for the Hong Kong Government to decide.

One of the legislators, Mr Fred Li Wah-ming, quoted Lord Caithness as saying that he was sorry to see that the RTHK issue had developed in such a way.

"He said the Joint Liaison Group may discuss the issue but the final decision should rest with the Hong Kong Government," Mr Li said.

RTHK staff said yesterday that they hoped the government consultation on the compensation and new packages for staff would be a genuine one.

After meeting the Omelco [Office of the Members of the Executive and Legislative Councils] Recreation and Culture Panel yesterday, RTHK Programme Staff Union chairman Mr Tai Keen-man said the union members were told that the consultation for the staff package would begin within a month or so.

Mr Tai said the staff stressed that the future board of governors of RTHK should be politically impartial and should not be given unlimited power to run the radio station.

Members of the board of governors should be knowledgeable about radio operations, he said.

—Mr Lu said Beijing would announce the list of advisers on Hong Kong affairs at a later stage because it had yet to be confirmed.

He said there would be second and third appointments.

Taiwan Group To Increase Activities in Hong Kong*HK0503025492 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0755 GMT 3 Mar 92*

[By reporter Zhuo Ling (0587 5376): "Taiwan's Strait Exchange Foundation To Step Up Activities in Hong Kong"]

[Text] Hong Kong, 3 Mar (ZHONGGUO TONGXUN SHE)—Shih Chi-ping, Taiwan Strait Exchange Foundation deputy secretary general, stated that the Foundation attaches great importance to Hong Kong's intermediary role in exchanges between Taiwan and the mainland. From now on, the Foundation will augment related activities in Hong Kong, and at an appropriate time will one day set up an office in Hong Kong.

Shih Chi-ping arrived in Hong Kong by invitation not long ago to participate in an academic seminar, and left Hong Kong for Taiwan today. Shih said that Hong Kong's intermediary role in exchanges between Taiwan and the mainland is very important. Take the recent seminar for example: Scholars and experts from Hong Kong, Taiwan, the mainland and other places gathered to explore and discuss issues; in particular it provided an unusual opportunity for related people from Taiwan and the mainland to conduct direct communications, exchange views, and deepen understanding. He said that at present, seminars in this category would not be so convenient should they be held in Taiwan or the mainland as they have been in Hong Kong. This being the case, he estimated that from now on, conferences involving the participation of people from the mainland, Hong Kong, Taiwan, and other places will be held more frequently in Hong Kong. Furthermore, the Straits Exchange Foundation also intends to invite related legal experts from the mainland and Taiwan to a conference

in Hong Kong with the focus on related legal issues between the mainland and Taiwan. Because of other factors, however, it is not finalized yet whether or not the conference will be held on schedule, and the Foundation will do its best to bring it about.

As to setting up an office in Hong Kong, Shih Chi-ping stated that because the Foundation has many other pressing issues to resolve, it is not likely to be fulfilled in the immediate future, but there is a chance it will do so later. The Strait Exchange Foundation believes that setting up an office in Hong Kong will be conducive to pushing forward exchanges between the mainland and Taiwan, with greater convenience in its activities.

Macao

Government Shows 'First' Trade Deficit in Decade

HK0503015092 Hong Kong THE STANDARD
in English 5 Mar 92 p B-6

[By Harald Bruning]

[Text] Macao recorded a 1.5 billion pataca (HK [Hong Kong]\$1.5 billion) trade deficit last year—the first in a decade—according to government figures released yesterday.

The enclave's negative trade balance for 1991 was the result of a slight 2.3 percent drop of its total export value and a 20 percent surge on total import value.

Total export value in 1991 amounted to 13.3 billion patacas, 313 million patacas less than in 1990, while the overall value of imports reached 14.8 billion patacas, 2.5 billion patacas up on 1990.

This set the import-export ratio in 1991 at 89.9 percent.

In 1990, the enclave's foreign trade balance enjoyed a healthy surplus of 1.3 billion patacas, which corresponded to an import-export ratio of 110.5 percent.

The negative export trend last year was the result of the slowdown of Macao's textile and apparel sales and shrinkage in non-textile sectors, particularly toys.

Textile and apparel exports last year recorded 0.1 percent growth and non-textile exports suffered a 9 percent drop.

Last year also reinforced the export sector's over-dependence on textiles and garments, which accounted for 75.3 percent of total exports, as against 73.4 percent in 1990.

The non-textile sector had a 24.7 percent share of the total export value in 1991.

Toys suffered a 42.6 percent drop last year. Artificial flower exports plummeted with a 95.5 percent decline.

Other non-textile exports, such as footwear, leather goods, radio and sound equipment, optics and cement, showed positive growth last year.

Macao's exports continued in 1991 to focus mainly on only two markets; the U.S. and the European Community, which jointly accounted for 69.9 percent of the total export value.

The EC remained Macao's number-one customer, buying a 38.2 percent of its total exports. Exports to the EC increased by 8.3 percent last year, to 5 billion patacas. The U.S. bought 31.7 percent of Macao exports, worth 4.2 billion patacas.

Exports to the U.S., however, were down 14.3 percent over 1990.

The enclave's exports to the Asia-Pacific region accounted for 3.3 billion patacas, or 24.8 percent of its total export value in 1991, an increase of 6.1 percent over 1990.

Most notable export boosts were to Taiwan, up 44.5 percent and to China, up 82.4 percent.

Macao's 20 percent increase in its import value last year was mainly due to a 68.4 percent surge of capital goods import, while consumer goods imports rose by 34.8 percent over 1990.

Fuel and lubricant imports rose by 11.7 percent and raw material and semi-manufactured goods imports increased by 6.6 percent on 1990.

Raw materials and semi-manufactured goods accounted for 55.6 percent of total imports last year, while consumer goods took a 23.3 percent of import value.

The Asia-Pacific region remained Macao's principal supplier. Hong Kong topped its import trade list taking a 34.9 percent share.

Overall trade with Portugal was static at 1 percent.

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